

the Freeman

Ideas on Liberty

APRIL 1969

◆ Uruguay's warning to the United States, and to the world, is that governmental welfarism, with its ever-increasing army of pensioners and other beneficiaries, is fatally easy to launch and fatally easy to extend, but almost impossible to bring to a halt — and quite impossible politically to reverse, no matter how obvious and catastrophic its consequences become. It leads to runaway inflation, to state bankruptcy, to political disorder and disintegration, and finally to suppressive dictatorship.

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URUGUAY: Welfare State Gone Wild

HENRY HAZLITT

If there were a Nobel prize for the most extreme or worst example of the welfare state (and if such outright communist states as Russia and China were made ineligible), which country has done most to earn it?

The decision would be a hard one. Among the outstanding candidates would be Britain, France, Sweden, and India. But the British case, though the most familiar, is certainly not the worst; it is the most discussed and most deplored because of the former eminence of Britain in the world.

The tragedy certainly reaches its greatest dimensions in India, with much of its 500 million population always on the verge of

famine, and kept there by an incredible mixture of economic controls, planning, welfarism, and socialism, imposed by its central and state governments. Moreover, India has always been a poverty-stricken country, periodically swept by drought or floods resulting in human misery on a catastrophic scale, and it is often difficult to calculate just how much worse off its governmental policies have made it.

Perhaps the most dramatic example of a country needlessly ruined by "welfare" policies is Uruguay. Here is a country only about a third larger than the state of Wisconsin, with a population of just under 3 million. Yet that population is predominantly of European origin, with a literacy rate estimated at 90 per cent. This country once was distinguished

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This article will appear as a chapter in a forthcoming book, *Man vs. the Welfare State*, to be published by Arlington House.

among the nations of Latin America for its high living standards and good management.

Uruguay adopted an elaborate state pension system as early as 1919. But its major troubles seem to have begun after March, 1952, when the office of president was abolished, and Uruguay was governed by a nine-man national council elected for a four-year term, six members of which belonged to the majority party and three to the leading minority party. All nine were given equal power.

What is so discouraging about the example of Uruguay is not only that its welfare programs persisted, but that they became more extreme in spite of the successive disasters to which they led. The story seems so incredible that instead of telling it in my own words, I prefer to present it as a series of snapshots taken by different firsthand observers at intervals over the years.

* * *

The first snapshot I present is one taken by Karel Norsky in *The Manchester Guardian Weekly* of July 12, 1956:

"Uruguay today offers the sad spectacle of a sick Welfare State. It is living in a Korean boom-day dream. . . . No politician comes out with the home truth that this

country's wide range of welfare services has to be paid for with funds which have to be earned. Demagoguery is used as a sedative. The result is that the foreign payments deficit is increasing, internal debt soaring, wage demands accumulating, prices rising, and the Uruguayan peso rapidly depreciating. Nepotism is rife. Now one in every three citizens in Montevideo, which accounts for a third of the country's 3 million inhabitants, is a public servant, draws a small salary, is supposed to work half a day in a Government office, and more often than not spends the rest of his time doing at least one other job in a private enterprise. . . . Corruption is by no means absent. . . .

"The foreign payments deficit has been running at a monthly rate of about 5 million pesos. The public servants are asking for a substantial increase in salaries. The meat-packing workers are on strike for higher pay and a 'guaranteed' amount of a daily ration of four pounds of meat well below market price. . . .

"No politician here can hope to get a majority by advocating austerity, harder work, and the sacrifice of even some of the Welfare State features."

I should like to pause here to underline this last paragraph, for it illustrates what is perhaps the

most ominous aspect of the welfare state everywhere. This is that once a subsidy, pension, or benefit payment is extended to any group, it is immediately regarded as a "right." No matter what the crisis facing the budget or the currency, it becomes "politically impossible" to discontinue or reduce it. We will find this repeatedly illustrated in Uruguay.

* * *

The next snapshot I present was taken by S. J. Rundt & Associates of New York nearly seven years later, in April, 1963:

"In one of his first statements the new President of the National Council admitted that Uruguay is practically bankrupt. . . . He made it pretty clear, however, that the country's welfare system of long standing will remain more or less unchanged.

"The 'social laboratory of the Americas,' Uruguay has launched a legislative program which goes much further toward the complete 'welfare state' than any similar plan in this hemisphere. . . . The government grants family allowances based on the number of children; employees cannot be dismissed without proper indemnification; both men and women vote at the age of 18. . . .

"An elaborate and all-encompassing state pension system was

introduced as early as 1919. Financed by payroll deductions of 14 to 17 per cent, which must be matched by employers, a pension is available to any Uruguayan at the age of 55 after 30 years of work, or at 60 after ten years. At retirement, the worker draws his highest salary, plus what has been deducted for pensions. . . . Employees obtain free medical service and are entitled to 20 days of annual vacation with pay. The government takes care of expectant and nursing mothers.

"The overwhelming expenses of a super-welfare state (where nearly one-fifth of the population is dependent on government salaries) and the uncertain income from a predominantly livestock and agricultural economy have left their marks. Today, Uruguay is in severe financial and fiscal stress. . . .

"Inflation is rampant. . . . Local production has declined sharply. Unemployment has risen. There are many severe strikes. Income from tourism has fallen off markedly. . . .

"So far as exchange controls and import restrictions are concerned, Uruguay has tried them all. . . .

"In an effort to prevent another buying spree in 1963, the new Administration decreed an import ban for 90 days on a wide

array of goods considered non-essential. . . . All told, the ban applies to about one-third of all Uruguayan importations. . . . The smuggling of goods, mainly from Brazil and Argentina, has become one of the foremost headaches of Montevideo planners. . . .

"Capital flight during 1963 is estimated at between \$40 million and \$50 million. . . .

"The budget deficit in 1961 nearly doubled to 210 million pesos. The situation turned from bad to worse in 1962 when the Treasury recorded the largest deficit in 30 years. . . . Press reports cite a red figure of 807 million pesos. The Treasury is said to owe by now nearly 700 million pesos to the pension funds and roughly a billion pesos to Banco de la Republica. The salaries of public officials are at least one month behind schedule. . . .

"Labor costs in Uruguay, the Western Hemisphere's foremost welfare state, are high. The many contributions toward various social benefits — retirement, family allotments, sickness, maternity, accident, and unemployment insurance — vary from industry to industry, but the general average for industry as a whole is at least 50 per cent of the payroll. In some sectors, the percentage is much higher. . . .

"Social unrest is rising. . . .

Widespread and costly strikes have become the order of the day. As a rule, they involve demands for pay hikes, sometimes as high as 50 per cent."

* * *

Our third snapshot was taken by Sterling G. Slappey in *Nation's Business* magazine four years later, in April, 1967:

"Montevideo, — Two hundred imported buses are rusting away on an open dock while Uruguayan government bureaucrats bicker with each other over payment of port charges. The buses have not moved in nearly four years.

"Scores of men listed under false female names receive regular government handouts through Uruguay's socialized hospitals. They are listed as 'wet nurses.'

"At many government offices there are twice as many public servants as there are desks and chairs. The trick is to get to work early so you won't have to stand during the four to six hour work-day that Uruguayan bureaucrats enjoy.

"It is rather common for government workers to retire on full pay at 45. It is equally common to collect on one retirement while holding a second job or to hold a job while collecting unemployment compensation. These are a few of the facts of life in Uruguay — a na-

tion gone wild over the welfare state. . . .

"Between 40 and 45 per cent of the 2.6 million people in this once affluent land are now dependent on the government for their total income. These include youthful 'pensioners' who have no great problem getting themselves fired or declared redundant, thereby qualifying for large retirement benefits. . . .

"At any given moment eight to ten strikes are going on, in a nation which until fifteen years ago called itself 'the Switzerland of Latin America' because its people were so industrious, busy, and neat. Montevideo is now one of the world's filthiest cities outside the Orient. The people have so little pride left they litter their streets with paper and dump their nastiest garbage on the curb. . . .

"Besides controlling meat and wool production and supplying meat to Montevideo, the government also entirely operates:

"Fishing; seal catching; alcohol production; life and accident insurance; the PTT—post office, telephone and telegraph; petroleum and kerosene industry; airlines; railroads; tug boats; gambling casinos; lotteries; theaters; most hospitals; television and radio channels; three official banks; the largest transit company. . . .

"In 1950 the Uruguayan peso, South America's most solid coin, was worth 50 cents. During a six-day period last February, the value of the peso slumped from 72 to the \$1 to 77.

"Cost of living went up 88 per cent in 1965. During 1966 the increase was something like 40 to 50 per cent.

"To keep pace the government has increased its spending, ground out more paper money and lavishly passed out huge pay raises—some as high as 60 per cent a year. . . .

"One fiscal expert diagnoses Uruguay's troubles as 'English sickness' which, he says, means trying to get as much as possible out of the community while contributing as little as possible towards it.

"Until President Gestido took over, Uruguay had been ruled for fifteen years by a nine-member council in a collegiate system of government. It was idealistic, unworkable, and rather silly from the start. It quickly fragmented, making the government a coalition of seven different groups. Every year a different member of the council took over as president, or council chief.

"The collegiate system was a Tammany Hall patronage-type of group. Instead of each party watching the opposition, all took

care of their friends and got their cousins government sinecures.

"The western world has rarely seen such patronage, nepotism, favoritism."

* * *

The return to a Presidential system brought hopes that Uruguay's extreme welfarism could now be mitigated. But here is our fourth snapshot, taken by C. L. Sulzberger for *The New York Times* of October 11, 1967:

"Montevideo, — Contemporary England or Scandinavia might well take a long southwesterly look at Uruguay while murmuring: 'There but for the grace of God go I.' For Uruguay is the welfare state gone wild, and this fact, at last acknowledged by the government, brought about today's political crisis and the declaration of a state of emergency.

"This is the only country in the Western Hemisphere where the kind of democratic socialism practiced in Norway, Labor Britain, or New Zealand has been attempted. Alas, thanks to warped conceptions and biased application, the entire social and economic structure has been set askew. Here charity begins at home. One out of three adults receives some kind of pension. Forty per cent of the labor force is employed by the state. Political parties compete to expand a ridic-

ulously swollen bureaucracy which only works a thirty-hour week. . . .

"The cost of living has multiplied 32 times in the past decade. Gross national production has actually declined 9 per cent and this year will take a nose dive. . . .

"Instead of having one President, like the Swiss they elected a committee and, not being Swiss, the Uruguayans saw to it the committee couldn't run the country. The result was a system of self-paralysis. . . .

"Anyone can retire on full salary after thirty years on the job, but with full salary worth one thirty-second of its worth ten years ago, the pension isn't very helpful. To compound the confusion, trade unions make a habit of striking. Right now the bank employes refuse to handle government checks so neither wage-earners nor pension-receivers get paid. . . .

"This was a needless tragedy. Uruguay has proportionately more literacy and more doctors than the United States. It is underpopulated and has a well-developed middle class. . . .

"Uruguay should serve as a warning to other welfare states."

* * *

Our fifth snapshot was taken by S. J. Rundt & Associates on August 6, 1968:

"The mess continues . . . and seems to perpetuate itself. . . . The government is getting tougher and Uruguayans more obstreperous. The powerful and sharply leftist, communist-led 400,000 member CNT (National Workers Convention) is on and off 24-hour work stoppages in protest against the lid clamped on pay boosts by the price, wage, and dividend freeze decreed on June 28. . . . The currently severe six-month drought has brought a gloomy brownout, after a 50 per cent reduction in electric power use was decreed. . . . The near-darkness helps sporadic anti-government rioting and terrorist activities. A leading pro-government radio transmitter was destroyed by bombs. . . . Train service has been severely curtailed and at times no newspapers are published. . . . Last year there were 500 strikes; the dismal record will surely be broken in 1968. . . .

"Of a population of around 2.6 million, the number of gainfully active Uruguayans is at the most 900,000. Pensioners number in excess of 300,000. Months ago the unemployed came to 250,000, or almost 28 per cent of the work force, and the figure must now be higher. . . .

"The government closed at least three supermarkets and many stores for having upped prices, as

well as such institutions as private hospitals that had violated the wage-price freeze decree. But despite rigid press censorship and Draconian anti-riot and anti-strike ukases, threatening punishment by military tribunals, calm fails to return."

* * *

Our sixth and final snapshot of a continuing crisis is from a *New York Times* dispatch of January 21, 1969:

"Striking Government employees rioted in downtown Montevideo today, smashing windows, setting up flaming barricades and sending tourists fleeing in panic. The police reported that one person had been killed and 32 injured.

"The demonstrators acted in groups of 30 to 50, in racing through a 30-block area, snarling traffic with their barricades, and attacking buses and automobiles. The police fought back with tear gas, high-pressure water hoses and clubs. . . .

"The striking civil servants were demanding payment of monthly salary bonuses of \$24, which they say are two months overdue."

* * *

These six snapshots, taken at different intervals over a period of twelve years, involve considerable repetition; but the repetition is

part of the point. The obvious reforms were never made.

Here are a few salient statistics to show what was happening between the snapshots:

In 1965 consumer prices increased 88 per cent over those in the preceding year. In 1966 they increased 49 per cent over 1965. In 1967 they increased 136 per cent over 1966. By August, 1968 they had increased 61 per cent over 1967.

The average annual commercial rate of interest was 36 per cent in 1965. In 1966, 1967, and August, 1968 it ranged between 32 and 50 per cent.

The volume of money increased from 2,924 million pesos in 1961 to 10,509 in 1965, 13,458 in 1966, and 27,490 in 1967.

In 1961 there were 11 pesos to the American dollar. In 1965 there were 60; in 1966, there were 70; in early 1967 there were 86; at the end of 1967 there were 200, and after April 1968 there were 250.

Uruguay's warning to the United States, and to the world, is that governmental welfarism, with its ever-increasing army of pensioners and other beneficiaries, is fatally easy to launch and fatally easy to extend, but almost impossible to bring to a halt — and quite impossible politically to reverse, no matter how obvious and catastrophic its consequences become. It leads to runaway inflation, to state bankruptcy, to political disorder and disintegration, and finally to suppressive dictatorship. Yet no country ever seems to learn from the example of another. ♦



What Is Capitalism?

AMERICAN CAPITALISM is "private ownership of the means of production and distribution." This is the very simplest of definitions, but it gets to the heart of the question with the two words, "private ownership." There are other facets, however. American capitalism has three great pillars which support it: private property, the profit motive, and the open market where all are free to compete in the production and sale of goods and services.

CARROLL REYNOLDS, *Indiana Economic Education Foundation*

A Defeat on the Home Front • JAMES E. MCADOO

DURING the development of the area in which I live, one of the selling points was the privacy of our streets. Each property owner, through an annual assessment, would share in the costs of street lighting, repairs, and maintenance. In return for this small expense, we would benefit by enjoying the advantages of streets closed to all but the owners and their guests. Among other things, we would be spared the annoyances of heavy traffic, door-to-door salesmen, and an invasion of fishermen who might otherwise crowd our private docks and seawalls.

All property owners became members of an Association, and an elected Board of Directors has seen to the mechanics of collecting assessments and paying bills. Every lot has been sold, and nearly every lot now has a house upon it. While privacy may not have been the foremost advantage of our location, those who bought and built here demonstrated a willingness to accept the responsibilities

associated with private streets.

Recently, however, members of our Association were urged by the Board of Directors to vote for a proposal to dedicate our streets to the town. The argument advanced for doing so was to "eliminate" the responsibility of members for any future street repairs and repaving. The anticipated expense, rather than being met by an assessment of members, would thus fall to the town.

Our Board, prior to the vote, pointed out that the Town Commission had no plans to remove certain attractive banyan trees that grace the centers of two streets. By implication, however, they would have the right to do so if the dedication carried. To that extent, the surrender of our rights, along with our responsibilities, was clear to all.

The vote was 90 "yes" and one "no."

If the Town Commissioners had marched upon our private domain and demanded our streets by threats of force, they almost certainly would have encountered vigorous, and even unanimous, re-

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sistance. Under such unlikely circumstances, the threat to our freedom would have been clear: an abridgment of our rights with respect to private property. Without a doubt, most of our residents would have defended not only the right to share in the ownership of private streets, but the right to maintain them as we saw fit.

The members of our Association are all freedom-loving Americans. They are intelligent, friendly neighbors. Many have defended our nation's freedom in the World Wars, Korea, or Viet Nam. Of the 90 who voted "yes," not one could have regarded his vote as a willing surrender of his freedom.

Yet, a change has taken place: the responsibility for our streets, along with the rights inherent in that responsibility, has been shifted from a voluntary Association of a few families, to a unit of government. The nature of that change is not altered by the eagerness of our members to eliminate a responsibility, nor by our willingness to relinquish our rights. The character of our loss would be the same if our rights had been taken by force. Only our attitude would have differed.

The Declaration of Independence, at least that part we have memorized, makes no reference to responsibilities. Still, upon reflection, we might conclude that if we

truly are endowed by our Creator with certain unalienable rights, it must be because we are at the same time charged by our Creator with certain inescapable responsibilities. To the degree we transfer our responsibilities to others, to the same degree we surrender the rights which are intrinsic to them. One important way in which we can defend our rights, as a nation and as individuals, is to hold tenaciously to our personal responsibilities.

No headlines will lament the loss of our few private streets. Huntley and Brinkley will not report this transfer as a blow to our country's freedom. Even our own Association membership will not feel a whit less free. But small as the import may appear, we have given up some of our rights by retreating from a personal responsibility. The same freedom we would be willing to die for, we have just given away on Main Street.

It was a minor skirmish, and no real contest. Freedom lost. Hopefully, a consideration of this encounter might stir some thought as to the subtle connections between rights, responsibilities, and freedom. The connections are there, and we can profit by them. If we do, then at some other time, in some other place, freedom might win. ♦

The Rise and Fall of England



14. THE DECLINE OF ENGLAND

ENGLAND'S DECLINE began in the interwar years between World War I and World War II. To all appearances, England was still a great world power. The sun never set on the British flag; indeed, it had less chance of doing so in the interwar years than before. The British navy no longer quite ruled the seas, but no other did either. In the gatherings of great powers, England must still be present or consulted. Yet the inner strength which had given England power and influence around the world was decaying. The decline was political, economic, moral, religious, and social. Before exploring the signs of decline, it needs to

be placed in a broader context. England's decline occurred within the framework of the disintegration of the European order, a disintegration which had ramifications around the world.

"To think," Kaiser Wilhelm lamented at the outbreak of World War I, "that George and Nicky should have played me false! If my grandmother had been alive, she would never have allowed it."¹ "George" was George V of England, and "Nicky" was Nicholas II of Russia. "Grandmother" was, of course, Queen Victoria of England. She was not only the Kaiser's grandmother but also Czar Nicholas' grandmother by marriage. Moreover, it was not

Dr. Carson, Professor of History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, *The Fateful Turn*, *The American Tradition*, and *The Flight from Reality*.

¹ Walter L. Arnstein, *Britain: Yesterday and Today* (Boston: D. C. Heath, 1966), p. 237.

simply a felicitous phrase to refer to her as "Grandmother of Europe."² In view of the heavy tomes since written on the "causes" of World War I, historians are inclined to rate the Kaiser's remark as highly naive. Yet, it should not be casually dismissed. Grandmother Victoria might not have prevented World War I, most likely could not have. But monarchy had provided balance and continuity for nations and empires between the Congress of Vienna and World War I — that century of peace. It had come generally to be limited monarchy in which the monarchs' powers for abuse were shorn but in which sufficient power was retained to counterbalance legislatures. Moreover, the intertwining of royal families by kinship and marriage did tend to make for good relations among the countries of Europe. The spirit of nationalism had distinguished peoples from peoples, but they were still linked to one another in royal families.

The disintegration of the European order was twofold during or after World War I. On the one hand, monarchy was abandoned by major countries: Germany and Russia most notably. Secondly, the

empires of Central and Eastern Europe were broken up: German, Austro-Hungarian, Russian, and Ottoman. In their place, new nations were brought into being and old ones revived: Poland, Czechoslovakia, Yugoslavia, Latvia, Lithuania, and so forth. New as well as old nations were highly nationalistic, jealous of one another, and no longer generally linked with one another by royal families, though some monarchs were retained or restored.

The New Mercantilism: Return to Self-Sufficiency

The disintegration was both signaled and fostered by attempts of each country to become economically self-sufficient — by economic nationalism or neo-mercantilism, whatever term may be preferred. One history gives an example of this for one group of countries:

As an expression of their sovereignty and independence each of the states in Danubian Europe erected its own tariff system. . . . In general the tariffs ascended in this order: Austria, Czechoslovakia, Yugoslavia, Hungary, Bulgaria, and Rumania.... Recourse was also made to quota and licensing systems.

It adds: "The small states of Central Europe cannot be censured for trying to create a rounded national economy when the whole

² See *ibid.*, pp. 372-73 for a simplified chart of the relationship of Queen Victoria to the other monarchs in Europe.

world was doing the same thing.”³

In many respects, this economic nationalism was a continuation and extension to new states of developments which were becoming general in the last decades of the nineteenth century. Country after country had erected tariff barriers: the United States, Germany, and so forth. These had set the stage for the new surge to get colonies and dominate territories in various places on the globe. The roots of World War I can be found in this expansionism which grew out of protectionism. England grasped for colonies while holding out against the protectionist measures.

This new mercantilism differed significantly in the animus behind it from the mercantilism of the sixteenth, seventeenth, and eighteenth centuries. It was spurred by the trend toward socialism and the welfare state. Countries found it expedient to erect “trade curtains” to protect themselves from the world market in order to control and regulate domestic economies. Black and Helmreich point up the connection in their discussion of the bills of rights in the new constitutions of the Danubian governments in the 1920’s: “The government must assure the right

to work; the health of the citizens, particularly the laboring man, must be safeguarded; the aged must be cared for; the family protected, etc. To implement all these ‘rights’ the government would of necessity have to provide a far-reaching social service program, regulate trade and industry, and become in truth the very nurturer of the whole population....”⁴ England held out longer than other nations against the interior logic, or illogic, of the requirements of the welfare state, but, as we shall see, eventually succumbed.

The League of Nations

The League of Nations was supposed to bring about and maintain order and peace during the inter-war years. It did not do so; indeed, it could not do so. That organization was to promote international cooperation and provide collective security. Yet nation was pitted against nation economically; manipulated currencies made movement of goods and peoples from one land to another increasingly difficult; ideology and action severed the natural bonds of one people with another. Nations cannot use the power of their governments against one another in trade and collaborate to maintain peace politically. They cannot establish national socialism, on the one

³ C. E. Black and E. C. Helmreich. *Twentieth Century Europe* (New York: Alfred A. Knopf, 1960), pp. 293-94.

⁴ *Ibid.*, p. 291.

hand, and international collective action, on the other. The notion that if the United States had joined the League matters would have turned out differently pays too high a compliment to the colossus of the New World. The vaunted inventiveness of Americans would not have sufficed to overcome the interior contradictions of disintegrating Europe.

At any rate, the old order in Europe was not replaced by a new order in the interwar years. Instead, disorder spread, became more violent, and threatened the peace of the world. Governments made that variety of internal war upon their own populations which is implicit in socialist ideology and attempted to forge a new unity by preaching class and race hatred. Governmental power was totalized, first in the Soviet Union, then in other lands. Power was concentrated in the hands of dictators or would-be dictators in land after land—in the hands of Stalin, Mussolini, Hitler, Marshall Pilsudski, Salazar, and so forth—in the absence of the old monarchical and aristocratic restraints and under the guise of the thrust toward socialism. Dictators consolidated their power by turning to aggression in the 1930's. Word of new horrors began to spread, suggested by such phrases as concentration camps, Siberia, secret police, dos-

siers, travel permit, shot in the back of the neck, Gestapo, liquidation of kulaks, and so forth. Intellectuals in France, Great Britain, and the United States—themselves bent toward socialism—disavowed the misbegotten step-children of socialism known as Italian fascism and German nazism, but were generally unrepentant in the face of Soviet purges and the Nazi-Soviet Pact.

Decline in Foreign Trade and Domestic Production

Such was the setting of England's decline.

That decline is most readily measurable in foreign trade and economic production. In some areas, the decline was relative; in others, it was absolute. The United Kingdom's relative share of world trade—exports and imports—is indicated by these figures: in 1840, it was 32 per cent; 1913, 17 per cent; 1938, 13 per cent.⁵ More important, British imports accounted for an increasing proportion of the trade, while exports decreased.⁶ The United Kingdom's portion of world manufacturing production was 31.8 per cent in 1870; 14 per cent in 1913; and 9.2

⁵ Shepard B. Clough, *European Economic History* (New York: McGraw-Hill, 1968, 2nd ed.), p. 419.

⁶ See Charles Loch Mowat, *Britain Between the Wars* (Chicago: University of Chicago Press, 1955), p. 262.

per cent in the 1936-1938 period.⁷

Britain's decline was most notable in the older basic industries, those industries which the British had dominated in the nineteenth century: coal, iron and steel, shipbuilding, shipping, cotton goods, and so forth. The decline in coal mined was absolute. A record 287 million tons were mined in 1913; in the 1920's, annual production averaged about 253 million tons.⁸ A decreasing proportion of this was sold in foreign trade.⁹ "Until 1937, pig-iron production declined steadily from its absolute peak of 10¼ million tons in 1913."¹⁰ In general, iron and steel production fell during the interwar years until it began to rise in the late 1930's. What happened to the cotton goods industry is probably most important, for it had accounted for a large portion of exports in the nineteenth century. Piece goods production fell from a little over 8 billion square yards in 1912 to 3½ billion square yards in 1930 to only a little over 3 billion yards in 1938. Exports of piece goods declined even more drastically: from nearly 7 billion square yards in 1912 to less than

1½ billion square yards in 1938.¹¹ British shipbuilding fell off badly between the wars.

From 1920 onwards the tonnage under construction fell, though the years 1927-30 were relatively good years, British launchings then running at about 75% of the level of 1911-13. In the slump, with millions of tons of shipping laid up, the building of new tonnage virtually came to a standstill: in 1933 the launchings from British yards fell to 7% of the pre-war figure. Throughout the early 1930's a large part of the industry was idle. . . .¹²

Some new industries did grow and develop during the interwar years, such as electrical goods, automobiles, aircraft, silk and rayon goods, and chemical products,¹³ but these did not alter the fact of the general decline.

British agriculture did not fare well during the period either. There were just over 11 million acres in cultivation in 1914 (in England and Wales). It had fallen to 9,833,000 acres in 1930. Acreage under wheat in 1931 reached the lowest point ever recorded. There were some increases in production in some categories, but the English were producing far less than they consumed of agricul-

⁷ Clough, *op. cit.*, p. 397.

⁸ Loch Mowat, *op. cit.*, p. 276.

⁹ Sidney Pollard, *The Development of the British Economy: 1914-1950* (London: Edward Arnold, 1962), pp. 110-11.

¹⁰ *Ibid.*, p. 114.

¹¹ *Ibid.*, p. 121.

¹² *Ibid.*, p. 117.

¹³ *Ibid.*, p. 98.

tural products.¹⁴ A flight from the land was characteristic of these years: "employment in agriculture and forestry in the United Kingdom fell from an average of 1,004,000 in 1920-22 to an average of 735,000 in 1927-28. . . . Workers left the industry at the rate of 10,000 a year, and the exodus of young men was particularly marked. . . ."¹⁵

British Themselves Responsible for Commercial Decline

Many historians attribute the commercial and industrial decline of England to the protectionist policies of other nations, to other countries finally catching up to an earlier lead England had gained, and to the failure of the British to modernize. Undoubtedly, the protectionist policies of other countries made trade more difficult for the British. The latter two points, however, require explanations rather than constituting them. In truth, the British were mainly responsible for their commercial decline. The reasons for that decline are not far to seek. England had risen as a great industrial and commercial nation when the energies of men had been freed, when restrictions upon land were removed or reduced, when special privileges were

struck down, when liberty and property were secured for individuals, and when they were motivated by belief to constructive achievement.

England's decline followed the onset of government intervention on a scale that could not be fully compensated for. That intervention began to take effect in the early years of the twentieth century, was temporarily vastly expanded during World War I, and in the interwar years began to mount once more. The thrust toward intervention came from Fabian socialists and other reformers, was spearheaded by the Labour Party in Parliament, and gained sway during every major cabinet administration from 1906 onward. High taxation made the accumulation of capital a forbidding task; regulation made new investments in many areas unenticing; labor unions introduced inflexibilities into the economy; and Britain became less and less competitive around the world. The determination of interventionists to regulate and control was inconsistent with free trade and the gold standard; one or the other had to go, and it was freedom that went. There is not space here to tell the story in detail, but enough must be told to show how the decline followed from the intervention.

¹⁴ Loch Mowat, *op. cit.*, pp. 250-53.

¹⁵ Pollard, *op. cit.*, p. 142.

Following World War I, there was a considerable attempt at re-conversion and restoration of the old order. "During 1919 the controls of trade and shipping were allowed to end. Rationing of food and most price controls ended by 1920. . . . Factories and stores of 'war surplus' goods were sold off. The Government made every show of its conviction . . . that Governments ought to get out of business. . . ." ¹⁶ This last sentence exaggerates somewhat, but it does indicate one tendency. The budget was balanced once again, and the inflation halted. Trade with the rest of the world was virtually freed. In 1925, Winston Churchill, as Chancellor of the Exchequer, was able to restore the gold standard. Most of this had been accomplished under governments headed by David Lloyd George, Bonar Law, and Stanley Baldwin, the latter two being Conservative Prime Ministers.

**Revival Short-Lived;
More Governmental Intervention**

These measures did not succeed fully in reviving England for two reasons mainly. In the first place, the reconversion was not that thorough; much intervention was continued, and more came. One

historian notes that during the war "departments, bureaux, committees, controllers were created and piled on top of each other. . . ." After the war, "though the flood subsided, government never returned to its old channel." ¹⁷ Signs of increasing government appeared in the establishment of a Ministry of Labour in 1916, a Ministry of Health in 1919, a Ministry of Transport in 1919, a Department of Scientific and Industrial Research in 1916, a Forestry Commission in 1919, and a Medical Research Council in 1920. ¹⁸ Railroad consolidation was prescribed after the war; coal mines were greatly regulated; high taxes were imposed; and some tariffs were continued. Two new welfare acts were passed shortly after the war. "The Housing and Town Planning Act of July 1919 . . . provided for government subsidies through local authorities." An unemployment insurance act was passed in 1920. "Nearly twelve million workers, including eight million not previously insured were brought within the scope of the act. . . ." ¹⁹ This last was to become very shortly a great burden on English taxpayers.

¹⁷ Loch Mowat, *op. cit.*, pp. 13-14.

¹⁸ *Ibid.*, p. 15.

¹⁶ David Thomson, *England in the Twentieth Century* (Baltimore: Penguin Books, 1965), p. 67.

¹⁹ Alfred F. Havighurst, *Twentieth Century Britain* (New York: Harper and Row, 1962, 2nd ed.), p. 171.

Trade Unions a Major Obstacle to Recovery

The other great obstacle to the revival of England in the 1920's was the labor unions. These had grown greatly during World War I, and they now had a powerful political arm in the Labour Party. Labor unions find it very difficult to survive deflation. They depend for their following to a considerable extent upon frequent increases in wages. This can only be accomplished generally by increases in the money supply or reductions in employment. When the government began balancing the budget and later returned to the gold standard, labor unions resisted any cut in wages vigorously. There were widespread strikes, this activity coming to a head with the General Strike of 1926 (an event significantly preceded by the return to the gold standard). The government came to the aid of miners by subsidizing them and prescribing the conditions that should prevail. More generally, however, those union workers with jobs continued to get high monetary wages. They did so at the expense of other workers, for unemployment became endemic in England in the 1920's, and was a fixture throughout the interwar years. By June of 1922, the registered unemployed had reached 1½ millions. The government came to

the rescue, and began its subsidization of unemployment on a large scale. The government, "by a series of Acts in 1921 and 1922 . . . extended the period during which benefits could be drawn . . . , altered the rates of benefit, and increased the contributions."²⁰ One of the major reasons for economic decline in England during the interwar years was that a considerable portion of the people were not working. The labor unions produced the situation, and the government sustained it.

Unemployment was highest in the old staple industries, and remained high during these years. These were the industries, of course, where unionization had its great impact. A further reason for decline can be seen in wages and productivity. British wages were generally higher than in other lands.²¹ On the other hand, productivity did not keep pace. In coal mining, for example, other countries in Europe were greatly increasing the output per man-shift; England had only small gains. "By 1936, the peak year in every country, Britain's output per manshift was 14 per cent above that of 1927, whereas the increase in the Ruhr mines was 81 per cent, in the Polish mines 54 per cent, in the Dutch mines 118 per

²⁰ Loch Mowat, *op. cit.*, p. 127.

²¹ *Ibid.*, p. 268.

cent.”²² Small wonder that Britain could not maintain its trade position.

Protectionism in the Thirties

Government intervention and labor union obstruction prevented the revival of the economy in the 1920's. With the coming of the depression of the 1930's, the government abandoned the feeble effort it had made to restore the policies which had made England great. The great symbols of these, the gold standard and free trade, were given up: the gold standard in 1931; protective tariffs and imperial preference were inaugurated in 1932. The pound sterling was no longer good as gold, and England was no longer the trading Mecca of the world.

It has been suggested that England backed into socialism in the interwar years. But this was not always the case. In the 1920's under a Conservative government there was a straightforward movement in that direction in two instances. Radio was taken over by the government as the British Broadcasting Corporation. A Central Electricity Board was created, and it was empowered to make wholesale distribution of electricity. In retrospect, though, it does look as if the stage was set for socialism by the backdoor. The

government appeared to do its best to wreck free enterprise by abolishing competition in many areas in the 1930's. Cartelization was authorized and fostered in several industries, notably coal mining, iron and steel, and shipbuilding.

The government fostered combinations, collaborations, and price setting, similar to what was undertaken under the N.R.A. in the United States. What was involved is suggested by this description: "The Government looked for the benefits of monopoly, tempered by planning in the national interest. Accordingly, the British Iron and Steel Federation was formed in April 1934. . . . In 1935-36 it took over the price-fixing functions of earlier sectional associations, and it negotiated with foreign cartels to impose quantitative restrictions on imports. . . ."²³ Nationalization was only a step away after this.

If anything, the intervention in agriculture was more massive than that in other areas in the 1930's. England had already, in the 1920's, attempted to establish sugar beet growing by giving subsidies (what were called bounties generally under the older mercantilism). In the 1930's protectionist policies for agricultural products were followed, and attempts at cartelization, of a sort, were made. Potato Marketing Boards, Milk Market-

²² *Ibid.*, p. 276.

²³ Pollard, *op. cit.*, p. 116.

ing Boards, Bacon and Pig Marketing Boards were set up to do such things as control production and prices. One historian describes the inconsistency in this way: "Viewed in the broadest possible perspective, the world was suffering from a surfeit of food, and Britain, the world's chief food market, reacted to this glut by closing her frontiers to imports and encouraging her farmers to add to the world output by expanding their high-cost production."²⁴ At any rate, the vaunted independent Englishman was independent no more; he was caught in the toils of government power by the promises of government favors.

There was a revival of the British economy in the middle and late 1930's. It did not, however, signalize the recovery to full health of the patient. Instead, it was only an instance of that deceptively healthful flush that patients sometimes develop just before they succumb.

England declined in many other ways than the economic in the interwar years. British influence and power was waning in the world at large. At the Washington Naval Conference, and then more completely at the London Naval Conference, Britain abandoned its naval pre-eminence. The United States was accorded equality, and

the Japanese acquired a leading role in the Pacific. These indicated the decline of power and of the will to be the strongest.

Waning World Influence

The waning of British influence was more subtle and probably much more significant. In the nineteenth century, British political forms and institutions had been the models for much of the world. In the interwar years, this ceased to be the case. Intellectuals began to cast admiring glances toward the Soviet Union: to its social planning, to one-party government, to the dictatorship instituted there. Italian fascism had its admirers, too, as Mussolini consolidated his power in the mid-twenties. (At least, some said, the trains run on time in Italy.)

But to look at it this way is probably to approach the matter wrong-end-to. What was there to admire and imitate about British institutions any longer? What were they? How convinced of their probity were the British themselves? Power had already been centralized in the House of Commons and concentrated in the cabinet. The balance of powers now remained largely in relics which were forms without substance. Political parties represented about all that was left of the means of balancing power. But these, too,

²⁴ *Ibid.*, p. 141.

lost vitality during the years under consideration.

The only party that managed to get a clear majority in the inter-war years was the Conservative Party. But its leadership was usually reluctant to govern. Labour got a plurality in the election of 1929, and Ramsay MacDonald, the Labourite, formed a government. It fell in 1931, and MacDonald led the movement for a National government. There was an overwhelming vote for candidates pledged to the National government. Actually, Conservatives elected 472 members to the House of Commons, a preponderant majority itself. Nonetheless, Ramsay MacDonald served as Prime Minister for a National government from 1931 to 1935, followed by two Conservatives, Stanley Baldwin and Neville Chamberlain, to 1940. This was surely the peacetime nadir of party responsibility in modern British history. Without effective party responsibility for what was done, there was little check left upon government. In short, England turned to its own variety of "one-party" government in this period — a pale imitation of what was occurring in the dictatorships.

Retreat to Munich

Britain was withdrawing from the world, retreating from competition behind tariff barriers, going

off the gold standard, pulling in to the hoped-for safety of empire. Other nations were becoming aggressively expansive: Japan, Italy, Germany, and the Soviet Union. Nobody did anything of real consequence when Japan invaded Manchuria in the early 1930's. Britain and France agreed not to intervene significantly when Mussolini's forces invaded Ethiopia in 1935. This would throw Mussolini into the arms of Hitler, it was feared, and Britain clung to the relics of a balance of power policy which, in fact, at this point meant a withdrawal of influence. When Spain became a battleground between communists, on the one hand, and fascists — assisted by Germany and Italy —, on the other, no British weight was used to prevent the intervention. Indeed, as Germany rearmed, as the Rhineland was remilitarized, as international treaties were flagrantly violated, Britain acquiesced piecemeal in virtually every measure.

The depth of the bankruptcy of British foreign policy was reached at the Munich Conference in 1938. Prior to this conference, Chamberlain had made hurried trips to meet and treat with Hitler, pleading with the arrogant dictator to moderate his claims. At Munich, Hitler refused to allow Czech representatives to be present at the

meeting of himself, Mussolini, Daladier (for France), and Chamberlain. Yet the men present agreed to the cession of Czechoslovak territory (the Sudetenland) to Germany. But if the Czechs had been present, they could have been outvoted; such are the possibilities of democratic collective agreements. Chamberlain returned to England exultant; the Munich agreement had, he proclaimed, secured "peace in our time." And the crowds cheered!

Unprincipled Behavior

That men are fallible beings is undoubtedly true. They fall short of their ideals; they do not invariably hue to the line of principle; they compromise quite often where moral questions are involved. Yet there are tides in the affairs of men, and it is not simply individual fallibility involved in these affairs. Chamberlain had not simply varied from principle; in the best of times men do this. He was confused, and his confusion was the reflex of that of a large portion of the English people. The decline of England was preceded and accompanied by moral and religious decline. It is one thing to violate the known and agreed upon principles of morality; it is quite another not to know what these principles are, to be torn between conflicting views, or to be un-

certain as to the existence of verities. It was the latter which afflicted the English, as well as people elsewhere.

One historian describes the decline of religion in the interwar years in this way:

More broadly, religious faith was losing its strength. Not only did church-going universally decline. The dogmas of revealed religion — the Incarnation and the Resurrection — were fully accepted only by a small minority. Our Lord Jesus Christ became, even for many avowed Christians, merely the supreme example of a good man. This was as great a happening as any in English history since the conversion of the Anglo-Saxons to Christianity. . . .²⁵

Another points out that by the 1930's the number of communicants in the Church of England only barely exceeded that of Roman Catholics. The well-to-do still availed themselves of the rites of the church. "But no more than socially; and Puritanism languished except in a few Dissenting congregations, and among the elderly."²⁶

For several decades, the erosion of belief in verities had proceeded apace or accelerated. Intellectuals

²⁵ A. J. P. Taylor, *English History: 1914-1945* (New York: Oxford University Press, 1965), p. 168.

²⁶ Robert Graves and Alan Hodge, *The Long Week-End* (New York: Norton, 1963), p. 113.

had swung over to relativism. Morals, people were taught, are relative to time and place, are matters of customs and mores. Moral absolutes were for Englishmen reflexes of Puritanism and Victorianism, hence, old-hat, outmoded, and increasingly despised. Rationality had been undercut by new currents of irrationality.

Ripe for Socialism

There was a close relation between these developments and the movement toward socialism. Socialists could not advance their dogmas in a framework of individual responsibility. The virtues of industry, thrift, clean living, and careful husbandry must be undermined. Traditional morality abjured violence, enjoined respect for property, taught that men should not steal but be content with the fruits of their own labor. Covetousness was enjoined by Holy Writ. These had to be, and were, denigrated for socialism to make its gains.

The point is this: When Chamberlain confronted Hitler, he brought no high moral position from England with which to oppose the Führer. The gradualist movement toward socialism in England had acclimated the English to methods analogous to those of Hitler, if not in so brutal a guise. The British had come to

accept labor union violence as a legitimate means to achieve their ends. They had been familiarized with increasing use of government force against the population to regulate trade, to confiscate wealth, to provide funds for idle men. What was right was what the majority voted for, according to an underlying ethos. If the majority voted for programs which took the profits of corporations, that was not theft; it was only social justice. If the House of Lords stood in the way of this thrust for power, it should be shorn of its effective veto. There was no high ground in all of this from which to counter Hitler's moves. Moreover, the British people did not want adventures; they wanted peace.

It must not be thought that socialists believed consistently in the protection of minorities. Which minorities? Not the Lords. Not the farmers. Not factory owners. Not the unemployed (and their right to work in struck plants). Not of women, for the labor unions had worked diligently to drive women from their employment after World War I. The Czechs were, after all, only another minority. Why should their selfish wishes stand in the way of the great goal of world peace?

It is not my point, of course, that the British were more re-

sponsible than others for these international events, or that they acted more ignobly. They did eventually stand and fight, and they did so sturdily and even heroically. In the dark days of 1940-41, they stood alone against the Axis might which bestrode the continent of Europe. Winston Churchill's promises to "wage war, by sea, land, and air" until victory was achieved rallied his people behind him. The point, rather, is that

England's decline was of its own making, that the decay of morality underlay this decline, that the British abandoned ancient principles and vitiated their system, that government intervention produced the decline, and that waning influence abroad was a logical consequence of the loss of certainty at home. Nor was the war anything more than a temporary interruption of the British on their road leading toward oblivion. ♦

*The next article of this series will pertain to
"Socialism in Power."*

IDEAS ON LIBERTY**Martin Van Buren**

THOSE who look to the action of this Government for specific aid to the citizen to relieve embarrassments arising from losses by revulsions in commerce and credit lose sight of the ends for which it was created and the powers with which it is clothed. It was established to give security to us all in our lawful and honorable pursuits, under the lasting safeguard of republican institutions. It was not intended to confer special favors on individuals or on any classes of them, to create systems of agriculture, manufactures, or trade, or to engage in them either separately or in connection with individual citizens or organized associations. If its operations were to be directed for the benefit of any one class, equivalent favors must in justice be extended to the rest, and the attempt to bestow such favors with an equal hand, or even to select those who should most deserve them, would never be successful.

Message before a Special Session of Congress, September 4, 1837,
to consider monetary problems.

Why have an Electoral College?

This article is an uncle's response to a lad's question shortly after the presidential election of 1968.

BERTEL M. SPARKS, the uncle, worked his way out of "poverty stricken" Appalachia through law school and two graduate degrees in law. He served on the faculty of New York University School of Law for eighteen years and is now professor of law at Duke University. He is the author of two books and numerous articles in legal periodicals.

Dear Philip:

In reply to your question about my opinion of the Electoral College, I am in favor of retaining it. Before abolishing any institution that has been with us for such a long period, we should take time to ask why it came into existence in the first place, how it has worked in the past, and what substitute we have to offer. It is my opinion that a careful consideration of these questions will lead to the conclusion that the Electoral College is not so bad after all.

It seems that when our Founding Fathers were about the task of writing our Constitution they were almost unanimous on two basic ideas. They wanted a government strong enough to keep the peace and they feared any such government that was that

strong. They had learned from their experience under King George that unlimited power in human hands was a dangerous thing. Being a highly educated group, their knowledge and understanding of history had taught them that tyrannical power was not confined to any one form of government. It could exist whether its form was that of a monarchy, aristocracy, theocracy, or even a democracy. Their experience under the Articles of Confederation had also taught them that a government without adequate power could not protect its citizens in the exercise of their commercial and social relations with each other. It was a recognition of these diverse and somewhat conflicting policy goals that led them to the establishment of a form of

government that made possible the greatest exercise of personal freedom and the development of the highest level of material well-being that has ever been known anywhere else on the earth before or since. How did they do it?

The scheme agreed upon by that little group of men gathered in Philadelphia in 1787 was not a democracy but a republic, characterized by a separation of powers and a division of authority. To them this meant much more than a separation of the legislative, executive, and judicial departments of government. Regardless of what separation of the departments could be achieved, the men who were laying our foundation feared the consequences of having all three concentrated in one central government. That much had been tried before in various parts of the world, and under such arrangements tyranny had often been the ultimate result even where the election of the officials imposing the tyranny had been by popular choice. The added feature was a federal system where the local units of government, the states, were made independent entities and not just instrumentalities of the central power and the central government was made one of strictly limited powers.

The exercise of even such limit-

ed powers was carefully circumscribed. The Senate was to represent the states, with all states being equal for this purpose, and the House was to represent the people. The chief executive was not to be chosen by the legislative body, as is the custom in many countries of the world, but was made independent of them. Yet the power he could exercise without their approval was strictly confined. Although the judges were to be appointed by the President, they could not be removed by him and therefore it was highly unlikely that the judiciary would ever be dominated by any one President. It was no accident that the Representatives and Senators were given terms of different lengths and the election of Senators was so arranged that not more than one-third of them could be changing at any one time. And the President's term was made of different duration from that of either House or Senate. This somewhat awkward staggering of terms was to avoid the instability that could result from having the whole government change, even by popular vote, at a moment of great emotional upheaval.

The Electoral College was invented as a part, although maybe only a small part, of this general scheme of separation of powers

and division of authority. It was a scheme for letting the people choose but at the same time avoiding some of the dangers inherent in a direct choice. Not the least of the dangers they had in mind was that in a time of national turbulence, such as we might be approaching at the present time, sufficient emotional excitement might be generated to elect a popular and glamorous personality such as a Julius Caesar or a Napoleon Bonaparte. Of course, these dangers exist under any system of government. The important question is under what system can the extent of the dangers be diminished?

Any present-day student of the American government knows that this system of separation and division of powers with each department and each political unit serving as a check on every other did not work out exactly as intended by the Founding Fathers. None of the three branches of the central government has ever behaved exactly as the founders anticipated, and the powers and responsibilities of the state governments have declined to a degree that would probably frighten any delegate to the Constitutional Convention out of his wits. The Senate was never an impartial body of wise men serving to check the popular passions likely to be present in the

House. Both the chief executive and the courts quickly developed into something that would probably be unrecognizable by any but the most discerning of the Fathers. And it is doubtful if any of them anticipated the emergence of either political parties or the extensive administrative machinery that now plagues the central government. The Electoral College never became the uninstructed gathering of superior and sober men calmly deciding upon a suitable citizen to serve as the Chief Executive for the coming four years.

But the fact that the formal expectations of the Fathers were never realized should not blind us to the fact that the basic framework which they established has served us well for almost 200 years. The central core of the tradition they established is still with us and it is now our tradition. The Electoral College is part of that tradition. While it is not the representative body exercising an independent judgment as was originally intended, it does have a function to perform. It is at least an accounting device registering a summation of the will of the people on a state-by-state basis. Being on a state-by-state basis, and that not strictly according to population, it has some tendency to decrease the likelihood of a Presi-

dent winning primarily through an emotional appeal giving him an overwhelming advantage in one section but probably making him obnoxious to a majority of the voters in other parts of the country. It also makes it a little more difficult for one social or economic unit to become dominant. What is even more important in my mind, it continues to remind us that we are a federal republic whose separate political units still have vitality.

And after all these years is anyone in a position to say the Electoral College has produced any bad results? There have been a few instances when the electoral majority did not coincide with the popular majority and also two instances when the electors failed to elect anybody and the question was thrown into the House of Representatives. But can anyone rightly say that any of these instances have produced bad results? I believe not. And in each instance the matter was handled peacefully and without any substantial amount of public excitement. That within itself is no small accomplishment when it is remembered how frequently a change of administrations is accompanied by varying degrees of disorder in many foreign countries. It might even be pointed out that the two Presidents who were

chosen by the House of Representatives, Thomas Jefferson and John Q. Adams, are regarded by many as being among our more able Presidents.

Much has been made of the unfortunate things that could happen under our present system. But in view of the fact that none of the feared disasters has ever happened, I wonder if the danger isn't more imaginary than real. I find it hard to argue against almost 200 years of uninterrupted success! Even if no candidate had received an electoral majority in 1968, is there any reason to believe a peaceful and satisfactory solution could not have been reached? Let's explore the possibilities.

First of all, the electors, except in a few states, are not legally bound to vote with the party that elected them. It is possible that if no candidate had won a majority on November 5, enough electors would have switched their allegiance to give somebody a majority when the electoral votes were cast. If that had been done, is there any reason to believe the result would not have been a reasonable one or that it would not have been accepted by the public? If the electors had stood by the candidates for which they had been chosen and nobody had received a majority, is there any

reason to believe the House of Representatives would not have acted in a responsible fashion?

Even if the House had acted so irresponsibly as to fail to choose anyone, there is still another route to follow. In such a case the Vice-President is to serve as if he were President. The election of the Vice-President would be by the Senate. Would the Senate be so irresponsible as to fail to choose a Vice-President?

So it seems that in order for us to end up without a lawfully chosen President, the Electoral College, the House of Representatives, and the Senate would all have to act in an irrational and irresponsible way. And as we moved from one of these bodies to the other the failure of each would

place that much more moral pressure upon the next and would dramatize to the public the seriousness of the occasion. The period of uncertainty during which the matter was being resolved would tend to be a period of sober reflection. Tempers would cool a bit and the danger of rebellion would be lessened rather than increased. With so many safeguards in operation, it is unlikely that we would ever find ourselves without a lawfully chosen and reasonably acceptable Chief Executive. At least I haven't heard any other system proposed that holds greater promise of permanence and stability than has been demonstrated by the one we have.

Your Uncle,
Bert

IDEAS ON LIBERTY

The Clash of Opinion

IT WERE best to draw the veil of oblivion over the weakness of character which like a moral contagion afflicts this good land in these later years, except for the menace to our free institutions contained therein. Intolerance of difference of opinion is death to them. Tolerance of such difference is not enough to maintain them. Respect for it is still insufficient to secure their true development. It must be sought, invited and encouraged, for only through the clash of opinion and the attrition of thought can man press onward towards the goal of truth and the perfection of civilization.

JOHN W. BURGESS, *Recent Changes in American Constitutional Theory*

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ELECTRONIC REPRODUCTION PROHIBITED

REPRESSION

Those who wish to preserve freedom should recognize, however, that inflation is probably the most important single factor in that vicious circle wherein one kind of government action makes more and more government control necessary.

F. A. HAYEK¹

DEPRESSION is the bugaboo of most Americans, far more so than inflation. Our history textbooks from grade school through college drum the message into the heads of the readers: the depression of the 1930's was the worst disaster in American economic history. The depression proved, we are told, that laissez-faire capitalism is unworkable in practice. President Roosevelt's New Deal "saved American capitalism from itself." His administration brought into existence a whole new complex of governmental agencies that will supposedly be able to prevent another depression on such a scale. By expand-

ing their interference into the free market, the government and the quasi-governmental central banking system are able to "smooth out" the trade cycle.

Ironically, many of the optimistic statements coming out of Washington in regard to the possibility of depressions are remarkably similar to the pronouncements of statesmen and economists in the late 1920's. In 1931, Viking Press published a delightful little book, *Oh Yeah?*, which was a compilation of scores of such reassurances. In retrospect, such confidence is amusing; nevertheless, the typical graduate student in economics today is as confident of the ability of the State

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¹ F. A. Hayek, *The Constitution of Liberty* (Chicago: University of Chicago Press, 1960), p. 338.

to prevent a crisis as the graduate student was in 1928. So are his professors.

This kind of thinking is dangerous. During prosperity, it convinces men to look with favor on policies that will result in disaster. Then when a crisis comes, unsound analyses lead to erroneous solutions that will compound the problems. A failure to diagnose the true cause of depressions will generally lead to the establishment of more restrictive state controls over the economy, as bureaucrats prescribe the only cure they understand: more bureaucracy. Mises is correct when he argues that the statist "wants to think of the whole world as inhabited only by officials."² The majority of contemporary economists refuse to acknowledge that the modern business cycle is almost invariably the product of inflationary policies that have been permitted and/or actively pursued by the State and the State's licensed agencies of inflation, the fractional reserve banks.³ The problem is initiated by the State

in the first place; nevertheless, the vast majority of today's professional economists believe that the cure for depression is further inflation.

Profit and Loss

The basic outline of the cause of the business cycle was sketched by Ludwig von Mises in 1912, and it has been amplified by F. A. Hayek and others since then.⁴ The explanation hinges on three factors: the nature of free market production; the role of the rate of interest; and the inflationary policies of the State and the banking system, especially the latter. While no short summary can do justice to the intricacy of some of the issues involved, it may at least present thought for further study.

Profit is the heart of the free market's production process. Profits arise when capitalist entrepreneurs accurately forecast the state of the market at some future point in time. Entrepreneurs must organize production to meet the demand registered in the market at that point; they must also see to it that total expenditures do not exceed total revenue derived from sales. In other words,

² Ludwig von Mises, *Socialism* (New Haven, Conn.: Yale University Press, [1922? 1951], pp. 208-09.

³ On this myopia of the economists, see Gottfried Haberler, *Prosperity and Depression* (New York: Atheneum, 1962), ch. 13. Haberler no longer blames all depressions on monetary factors, and he does favor policies of repressed depression.

⁴ Ludwig von Mises, *The Theory of Money and Credit* (New Haven, Conn.: Yale University Press, 1953); cf. Haberler, pp. 33-67.

if all producers had perfect foreknowledge, profits and losses could never arise. There would be perfect competition based upon perfect foreknowledge.⁵ This situation can never arise in the real world, but it is the ultimate goal toward which capitalist competition aims, since in a perfect world of this sort, there could be no waste of scarce economic resources (given a prevailing level of technology).

It has been Mises' life work to demonstrate that the operation of the free market economy is the most efficient means of allocating scarce resources in an imperfect world. Those entrepreneurs who forecast and plan incorrectly will suffer losses; if their errors persist, they will be driven out of business. In this way, less efficient producers lose command over the scarce factors of production, thus releasing such resources for use by more efficient planners. The consumers in the economy are sovereign; their demands are best met by an economic system which permits the efficient producers to benefit and the inefficient to fail.

The whole structure rests upon a system of rational economic calculation. Profits and losses must be measured against capital ex-

penses and other costs. The heart of the competitive capitalist system is the flexible *price mechanism*. It is this which provides entrepreneurs with the data concerning the existing state of supply and demand. Only in this fashion can they compute the level of success or failure of their firms' activities.

The Rate of Interest

Economic costs are varied; they include outlays for labor, raw materials, capital equipment, rent, taxes, and interest payments. The *interest* factor is really a payment for *time*: lenders are willing to forego the use of their funds for a period of time; in return, they are to be paid back their principal plus an additional amount of money which compensates them for the consumer goods they cannot purchase now. A little thought should reveal why this is necessary. The economic actor always discounts future goods. Assuming for the moment that economic conditions will remain relatively stable, a person will take a new automobile now rather than in the future if he is offered the choice of delivery dates and the price is the same in both cases. The present good is worth more simply because it can be used immediately. Since capitalist production takes time, the capitalist must

⁵ Mises, *Human Action* (New Haven, Conn.: Yale University Press, 1949), pp. 286-97.

pay interest in order to obtain the funds to be used for production. The interest payments therefore represent a cost of production: the capitalist is buying time. Time, in this perspective, is a scarce resource; therefore, it commands a price.

The actual rate of interest at any point in time is a product of many forces. Economists do not agree on all of the specific relationships involved, and the serious student would do well to consult Hayek's *The Pure Theory of Capital* (1941) for an introduction to the complexities of the issues. Nevertheless, there are some things that we can say. First, the rate of interest reflects the demand for money in relation to the supply of money. This is why inflationary policies or deflationary policies have an effect on the rate of interest: by changing the supply of money, its price is altered.

Second, the rate of interest reflects the time preferences of the lenders, since it establishes just how much compensation must be provided to induce savers to part with their funds for a period of time. This is the supply side of the equation. The demand side is the demand for capital investment. Entrepreneurs need the funds to begin the production process or to continue projects already begun; how much they will be wil-

ling to pay will depend upon their expectations for future profit. In an economy where the money supply is relatively constant, the rate of interest will be primarily a reflection of the demand for capital versus the time preferences of potential lenders. Neither aspect of the rate of interest should be ignored: it reflects both the demand for and supply of money and the demand for and supply of capital goods.

Another factor is also present in the interest rate, the risk factor. There are no certain investments in this world of change. Christ's warning against excessive reliance on treasure which rusts or is subject to theft is an apt one (Matthew 6:19). High risk ventures will generally command a higher rate of interest on the market, for obvious reasons. Finally, there is the price premium paid in expectation of mass inflation, or a negative pressure on the interest rate in expectation of serious deflation. It is the inflationary price premium which we are witnessing in the United States at present. Mises' comments in this regard are important:

It is necessary to realize that the price premium is the outgrowth of speculations having regard for anticipated changes in the money relation. What induces it, in the case of the expectation that an inflation-

ary trend will keep on going, is already the first sign of that phenomenon which later, when it becomes general, is called "flight into real values" and finally produces the crack-up boom and the crash of the monetary system concerned.⁶

The Inflationary Boom

In the real world, money is never neutral (and even if it were, the economists who explain money certainly never are). The money supply is never perfectly constant: money is hoarded, or lost; new gold and silver come into circulation; the State's unbacked money is produced; deposits in banks expand or contract. These alterations affect the so-called "real" factors of the economy; the distribution of income, capital goods, and other factors of production are all influenced. Even more important, these changes affect people's expectations of the future. It is with this aspect of inflation that Mises' theory of the trade cycle is concerned.

The function of the rate of interest is to allocate goods and services between those lines of production which serve *immediate* consumer demand and those which serve consumer demand in the *future*. When people save, they forego present consumption, thus releasing goods and labor for use

in the expansion of production. These goods are used to elongate the structure of production: new techniques and more complex methods of production are added by entrepreneurs. This permits greater physical productivity at the end of the process, but it requires more capital or more time-consuming processes of production, or both extra time *and* added capital. These processes, once begun, require further inputs of materials and labor to bring the production process to completion. The *rate of interest* is supposed to act as an *equilibrating device*. Entrepreneurs can count the cost of adding new processes to the structure of production, comparing this cost with expected profit. The allocation of capital among competing uses is accomplished in a rational manner only in an economy which permits a flexible rate of interest to do its work.

Inflation upsets the equilibrium produced by the rate of interest. The new funds are injected into the economy at certain points. Gold mining companies sell their product, which in turn can be used for money; those closest to the mines get the use of the gold first, before prices rise. But gold is not a serious problem, especially in today's world of credit. Its increase is relatively slow, due to the difficulty of mining, and

⁶ *Ibid.*, p. 541.

the increase can be more readily predicted; hence, its influence on the price structure is not so radical. This cannot be said, as a general rule, for paper money and credit. Unlike gold or silver, paper is not in a highly limited supply. It is here that Mises argues that the business cycle is initiated. Here — meaning the money supply — is the one *central economic factor* which can account for a *simultaneous collapse* of so many of the various sectors of the economy. It is the *only factor common* to all branches of production.

Creation of Fiat Money

The economic boom begins when the State or the central bank initiates the creation of new money. (For the Western world in this century, the establishment of this policy can generally be dated: 1914, the outbreak of the First World War.) The central bank, or the fractional reserve banking system as a whole, can now supply credit to potential borrowers who would not have borrowed before. Had the fiat creation of new money not occurred, borrowers would have had to pay a higher rate of interest in order to obtain the additional funds. Now, however, the new funds can be loaned out at the prevailing rate, or possibly even a lower rate. Additional demand for money can therefore be

met without an increase in the price of money.

This elasticity of the money supply makes money unique among scarce economic goods. It tempts both government officials and bankers to make decisions profitable to their institutions in the short run, but disastrous for the economy as a whole in the longer run. Governments can expand expenditures by printing the money directly, or by obtaining cheap loans from the central bank, and thereby avoid the embarrassment of raising *visible* taxes. Banks can create money which will earn interest and increase profits. Mises has shown that these policies must result either in depression or mass inflation. There is no middle ground in the long run.

As we saw earlier, the interest rate reflects both the supply of and demand for money and the supply of and demand for capital goods. Inflation causes this dualism to manifest itself in the distortion of the production process. Capitalists find that they can obtain the funds they want at a price lower than they had expected. The new funds keep the interest rate from going higher, and it may even drop lower, but only *temporarily*, i.e., during the boom period. In fact, one of the signals that the boom is ending is an increase in the rate of interest.

Capitalists misinterpret this low rate of interest: what is really merely an increase in the availability of money is seen as an increase in the availability of capital goods and labor services. In reality, savers have not provided the new funds by restricting their consumption, thereby releasing capital goods that had previously been used to satisfy consumer demand more directly, i.e., more rapidly. Their patterns of time preference have not been altered; they still value present goods at a higher level than the rate of interest indicates.

Malinvestments Encouraged

Capitalists purchase goods and services with their new funds. The price of these goods and services will therefore rise in relation to the price of goods and services in the lower stages of production — those closer to the immediate production of consumer products. Labor and capital then move out of the lower stages of production (e.g., a local restaurant or a car wash) and into the higher stages of production (e.g., a steel mill's newly built branch). The process of production is *elongated*; as a result, it becomes more capital-intensive. The new money puts those who have immediate access to it at a competitive advantage: they can purchase goods with to-

day's new money at yesterday's lower prices; or, once the prices of producers' goods begin to rise, they can afford to purchase these goods, while their competitors must restrict their purchases because their incomes have not risen proportionately. Capital goods and labor are redistributed "upward," toward the new money. This is the phenomenon of "forced saving." Those capitalists at the lower stages of production are forced to forfeit their use of capital goods to those in the higher stages of production. The saving is not voluntary: it is the result of the inflation.

The result is an economic boom. More factors of production are employed than before, as capitalists with the new funds scramble to purchase them. Wages go up, especially wages in the capital goods industries. More people are hired. The incumbent political party can take credit for the "good times." Everybody seems to be prospering from the stimulating effects of the inflation. Profits appear to be easy, since capital goods seem to be more readily available than before. More capitalists therefore go to the banks for loans, and the banks are tempted to permit a new round of fiat credit expansion in order to avoid raising the interest rate and stifling the boom.

Sooner or later, however, capitalists realize that something is wrong. The costs of factors of production are rising faster than had been anticipated. The competition from the lower stages of production had slackened only temporarily. Now they compete once more, since consumer demand for present goods has risen. Higher wages are being paid and more people are receiving them. Their old time-preference patterns reassert themselves; they really did not want to restrict their consumption in order to save. They want their demands met *now*, not at some future date. Long-range projects which had seemed profitable before (due to a supposedly larger supply of capital goods released by savers for long-run investment) now are producing losses as their costs of maintenance are increasing. As consumers spend more, capitalists in the lower stages of production can now outbid the higher stages for factors of production. The production structure therefore shifts back toward the earlier, less capital-intensive patterns of consumer preference. As always, consumer sovereignty reigns on the free market. If no new inflation occurs, many of the projects in the higher stages of production must be abandoned. This is the phenomenon known as depression. It

results from the shift back to earlier patterns of consumer time-preference.⁷

The Depression

The injection of new money into the economy invariably creates a fundamental disequilibrium. It misleads entrepreneurs by distorting the rate of interest. It need not raise the nation's aggregate price level, either: the inflation distorts *relative prices* primarily, and the cost of living index and similar guides are far less relevant.⁸ The depression is the market's response to this disequilibrium. It restores the balance of true consumer preference with regard to the time preferences of people for present goods in relation to future goods. In doing so, the market makes unprofitable many of those incompleted projects which were begun during the boom.

What is the result? Men in the higher stages of production are thrown out of work, and not all are immediately rehired at lower stages, especially if these workers demand wages equivalent to those received during the inflationary boom. Yet they *do* tend to demand

⁷ Hayek, *Prices and Production* (2nd ed.; London: Routledge & Kegan Paul, 1935), chs. 2, 3.

⁸ *Ibid.*, p. 28; Hayek, *Monetary Theory and the Trade Cycle* (New York: Kelley Reprints, [1933] 1967), p. 117n.

such wages, and if governmentally protected labor union monopolies are permitted to maintain high wage levels, those who are not in the unions will be forced to work at even lower pay scales, or not at all. Relative prices shift back toward their old relationships. The demand for loans drops, and with it goes much of the banks' profit. The political party in power must take responsibility for the "hard times." Savers may even make runs on banks to retrieve their funds, and overextended banks will fail. This reduces the deposits in the economy, and results in a deflationary spiral, since the deposits function as money; the inverted pyramid of credit on the small base of specie reserves topples. Money gets "tight."

Repressed Depression⁹

The depression is an *absolutely inevitable* result of a prior inflation.¹⁰ At first, the new money kept the interest rate low; it forced up costs in certain sectors of the economy relative to others; the structure of production was elongated; those employed by the higher stages then began to spend their money on consumer goods; and the shift back to a shortened

production process was the result. Everyone liked the boom (except those on fixed incomes); no one likes the depression (except those on fixed incomes, *if* the incomes keep coming in).

There is a cry for the State to do something. Banks want to have a moratorium on all withdrawals; unions want to fix wages; businessmen want to fix prices; everyone wants more inflation. "Bring back the boom!" It can only be done now as before, with fiat money. The call for inflation ignores the fact that new maladjustments will be created. The short-run perspective dominates. If the cries are heeded, the price mechanism is again sacrificed, and with it goes the system of rational calculation which makes possible the efficiency of the free market. Mises warned a half century ago against this policy of "repressed depression" through inflation. Most governments since 1914 have ignored the warning, except during the late 1920's and early 1930's; the depression which resulted was "cured" by repressed depression, and that cure is now leading to the point predicted by Mises:

The "beneficial effects" on trade of the depreciated money only last so long as the depreciation has not affected all commodities and services. Once the adjustment is completed,

⁹ I owe this phrase to Rev. R. J. Rushdoony.

¹⁰ Hayek, *Monetary Theory*, pp. 126, 146, 179.

then these "beneficial effects" disappear. If it is desired to retain them permanently, continual resort must be had to fresh diminutions of the purchasing power of money. It is not enough to reduce the purchasing power of money by one set of measures only, as is erroneously supposed by numerous inflationist writers; only the progressive diminution of the value of money could permanently achieve the aims which they have in view.¹¹

Here is the inescapable choice for twentieth century Western civilization: will it be depression — the readjustment of the economy from the State-sponsored disequilibrium of supply and demand — or will it be mass inflation? The only way to escape the depression is for the inflation to continue at an ever-increasing rate.¹² The result is assured: "Continued inflation must finally end in the crack-up boom, the complete breakdown of the currency system."¹³ The economy will go through a period of total economic irrationality, just as the German economy did in the early 1920's.¹⁴ The German

catastrophe was mitigated by support in the form of loans from other nations; the German traditions of discipline and thrift also played a large part. But what will be the result if the monetary systems of the industrial nations are all destroyed by their policies of repressed depression? What will happen to the international trading community and its prevailing division of labor and high productivity if the foundations of that community — trustworthy monetary systems — are destroyed?¹⁵ It is questions like these that have led Jacques Rueff to conclude that the future of Western civilization hangs in the balance.¹⁶

Ours is not an age of principle. Governments would prefer to avoid both depression and mass inflation, and so we see the spectacle of the tightrope walk: tight money causing recession, which is followed by easy money policies that produce inflation and gold crises. But the trend is clear; inflation is the rule. Hayek says that it is a question of true recovery versus the inflationary spiral.¹⁷ Until we face this issue squarely, we will not find a solution.

¹¹ Mises, *Theory of Money and Credit*, p. 224.

¹² Hayek, *Prices and Production*, pp. 148-51.

¹³ Mises, *Human Action*, p. 468.

¹⁴ On the German inflation, see Constantino Bresciani-Turroni, *The Economics of Inflation* (London: Allen & Unwin, 1937).

¹⁵ Cf. Gary North, "Domestic Inflation versus International Solvency," *THE FREEMAN* (Feb., 1967).

¹⁶ Jacques Rueff, *The Age of Inflation* (Chicago: Regnery, 1964), pp. vii-xiv.

¹⁷ Hayek, *Prices and Production*, pp. 88-89.

Men, in short, must think clearly and act courageously. They must face the logic of economic reasoning, and admit that their own policies of inflation have brought on the specter of depression. They must then make a

moral decision to stop the inflation. The price system must be restored; the forced redistribution of wealth involved in all inflation must end. If men refuse to think clearly and to act with moral courage, then we face disaster. ♦



Medical Care is Not a Right

CHARLES W. JOHNSON, M.D.

RIGHTS are what stout-hearted men supposedly fight for. This muddled definition is probably as good as most people's understanding of this blood-soaked concept. Rights is a word which provokes emotion. Label something a right, play a martial tune, and the legions will march to your cause. If your opponents accept your sloppy definitions, victory is yours. Stout-hearted men might do well to identify those rights they adore.

The concept of rights has developed over several centuries. It

is a complex body of thought about the nature of man. These ideas have had consequences; they enabled man to emerge from barbarism. The concept, quite properly, has acquired an emotional value. Unfortunately, to most people, the concept is hazy, distorted by those who wish to cash in on its emotional power.

Rights, as defined by Burke and Locke, as incorporated in the Declaration of Independence, the Federalist Papers, and the writings of others, are the conditions necessary for man's survival according to his nature, as he was designed by God or nature. Man, in order to exist among the other flora and

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fauna of this planet, has certain requirements. First, he must have a drive to live and continuously act to sustain his life. By his natural design, his special means of survival are: conceptual, volitional thinking; hands designed for tools; and differentiation, enabling man to specialize his productive energy and to prosper by trading with one another, each party profiting by the exchange. The conditions such social organization requires are: the free range of each man to think, choose, and act; and to own property, to hold secure the products of his mind and hands for him to consume or save or trade. Men must, to live, assert a claim to these conditions: life, liberty, and ownership. These proper claims are rights. Actions against this system, the molestation of another man's life, liberty, and property, are wrongs.

No one has a right to anything he must ask permission for or in any way take from another. In in-

terpersonal and societal relationships there are many goods and services traded and privileges granted, but there is no "right" to take these from another. In distinguishing rights from privileges one may ask, "provided by whom?" If it is provided by God or nature or by one's own self, it is a right. If it is provided by someone else, it is a voluntary exchange, a privilege — or theft.

No one has a right to food, water, shelter, money, or love if he must obtain it at the expense of the owner. Medical care is no more a right than these.

Man rightfully obtains goods and services by producing them from nature or by voluntary exchange with others. Man may exchange goods, services, and emotional values, but he must trade to obtain them. Otherwise he is a thief acting against human existence.

Medical care is a service traded or a privilege granted — or theft.

IDEAS ON LIBERTY

Abraham Lincoln

I KNOW the American People are *much* attached to their Government;- I know they would suffer *much* for its sake;- I know they would endure evils long and patiently, before they would ever think of exchanging it for another. Yet, notwithstanding all this, if the laws be continually despised and disregarded, if their rights to be secure in their persons and property, are held by no better tenure than the caprice of a mob, the alienation of their affections from the Government is the natural consequence; and to that, sooner or later, it must come.



OUR TOTALITARIAN RADICALS

WILLIAM HENRY CHAMBERLIN

A FRIGHTFUL desecration of the true values and purposes of higher education, as conceived and outlined by scholars from Plato to such modern figures as John Henry (later Cardinal) Newman and Woodrow Wilson is taking place on many university and college campuses throughout America today. The above-mentioned thinkers and many others have always envisaged the ideal university as a place aloof from the transient clamors of the day, where professors and students are partners in the search for the good, the true, and the beautiful, where debates and discussions are carried on with methods of reason and courtesy, where studies in the humanities and natural sciences

are pursued in an atmosphere of tranquility.

The perfect university has never existed; but on both sides of the Atlantic, movement is away from, not toward, its ideals. Students whose qualifications in scholarship must be extremely dubious in many cases because of the amount of time they devote to such extra-curricular activities as harassing college administrators with peremptory demands, often backed up by the crudest forms of physical coercion, are turning campuses into prize-fight arenas. The quarrelsome brawling that goes on under the most trivial pretexts, the endless demonstrations on university property, often on subjects which are quite outside the range of the university student, the general atmosphere of bedlam would be calculated to drive Socrates, St. Thomas Aquinas, Erasmus, or any

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other great teacher to take off for the nearest available retreat in some desert, leaving behind an invitation to his most promising students to follow him.

Speaking at the dedication of a new library at Swarthmore, an excellent small liberal arts college, the diplomat-scholar, George F. Kennan, himself a liberal dissenter from many conventional positions, drew this caustic contrast between Woodrow Wilson's vision of an ideal university, shut off from the cares and clamor of the outside world, and the state of mind and behavior of the radical Left enrolled in student bodies today. To quote from Kennan's speech, which has been preserved in book form as part of an informal dialogue, with replies from dissenting students and others:

"We have people utterly absorbed in the affairs of this passing world. And instead of these affairs being discussed with knowledge and without passion, we find them treated with transports of passion and with a minimum, I fear, of knowledge. In place of slowness to take excitement, we have a readiness to react emotionally, and at once, to a great variety of issues. In place of self-possession, we have screaming tantrums and brawling in the streets. In place of the 'thorough way of talk' that Wilson envisaged, we have

banners and epithets and obscenities and virtually meaningless slogans. And in place of bright eyes 'looking to heaven for the confirmation of their hope,' we have eyes glazed with anger and passion, too often dimmed as well by artificial abuse of the psychic structure that lies behind them, and looking almost everywhere else but to heaven for the satisfaction of their aspirations.

"The world seems to be full, today, of embattled students. The public prints are seldom devoid of the record of their activities. Photographs of them may be seen daily: screaming, throwing stones, breaking windows, overturning cars, being beaten or dragged about by police, and, in the case of those on other continents, burning libraries. That these people are embattled is unquestionable. That they are really students, I must be permitted to doubt."

The acceptance of Mr. Kennan's speech by some of his audience was typical of the spirit of the "New Left," a familiar name for the present generation of collegiate radicals, in preferring abuse to argument. What happened, in Mr. Kennan's words, was as follows:

"But no sooner had I emerged from the stage door of the College's auditorium than I was made aware — by the presence there of

a group of angry young men, mostly bearded, who hissed their disagreement and resentment at me like a flock of truculent village geese — that I had stepped on some tender nerves.”

Internationally Contagious

Student unrest, often assuming violent and riotous forms, is not confined to the United States. There have been manifestations in free countries, where there is no excuse for violent lawbreaking, and in countries where the denial of all freedom explains and justifies what has happened. The most obvious and striking example is Czechoslovakia, where the timid concessions to greater freedom, political and economic, have been brutally swept away by the Soviet invasion.

Perhaps the most spectacular illustration of what can happen when student revolt takes place in an inflammable atmosphere was the paralysis of France last May. What began as a student revolt, involving clashes with the police, was followed by widespread strikes in factories and public services. The disorder was bought off by sweeping, across-the-board wage increases, out of all proportion to improved productivity. The harvest that was sowed in June was reaped in November. The wage increases, followed by ef-

forts at artificial stimulation of the economy, made French exports less competitive and a stampede from paper francs into harder currencies like the German mark and the Swiss franc and into gold set in, touching off an international financial crisis.

Results of student revolt have not always been as concrete and spectacular as in France; but disorders there have been, spreading like ripples after a stone is thrown into a pool. Characteristically, there has been the highest measure of restraint in Great Britain, although the University of London has had its taste of the American methods of sit-ins and “occupations” of university buildings.

There has been more violence, in a few cases leading to deaths, in the Federal Republic of Germany, especially in the so-called Free University of West Berlin. Apart from legitimate grievances which students have on both sides of the Atlantic — but which are not likely to be remedied by smashing windows, blocking streets and provoking fights with the police — the causes of the German disorders are rather obscure.

For example, one of the first casualties occurred in the course of clashes between police and students in Berlin who objected to a visit to the city of the Shah of Iran — certainly a trivial pretext,

especially as the Shah has proved himself more concerned with land reform and other progressive changes than the typical Oriental monarch.

There has been much windy declamation against the "System" and the "Establishment," a glorification of communist professional revolutionaries like Mao Tse-tung, Che Guevara, and Castro, and a general rejection of capitalism. The last seems a peculiar case of bad judgment on the part of young Germans.

If there is one country that owes its postwar rapid advance, quite literally, from rags to riches, to the bold, intelligent introduction of the principles of capitalism, especially the free market economy, that country is Germany. It is amazing that a younger generation separated by only a few years from this clear demonstration of the superiority of private economic enterprise both as a stimulus to industrial efficiency and as a foundation for the re-establishment, on a firm basis, of personal and political liberties, should produce so many misguided people yearning for the false gods of Oriental and Latin American communism.

A Valid Complaint

There is one justified cause of discontent for students on both

sides of the Atlantic. For reasons that are sometimes similar, sometimes different, they are not getting as good intellectual guidance and instruction as their fathers and grandfathers. Overcrowding is one problem. This is due partly to the general growth of population, which, like the weather, is something of which everyone complains without being able to do much about it.

Moreover, even allowing for the increased population, a far higher proportion of young people are going to universities and colleges. There is a belief, especially in the United States, that this is all to the good. But it is no benefit, rather an injury, to facilitate entrance into college for the intellectually unfit and unprepared. This is especially worth bearing in mind when, on many American campuses, there is a deliberate effort to recruit more students from racial minority groups, almost regardless of qualifications.

Most certainly, no qualified person should be excluded, because of race or color, from the benefits of higher education. By the same token, no one should have higher education thrust upon him if he is unable, through lack of training and preparation, to derive any benefit from it. Commonsensical Dr. Samuel Johnson rebutted criticism of the expulsion of some Ox-

ford students for creating public disturbances by engaging in loud public prayer at inconvenient times and places:

"Sir, they were examined and found to be mighty ignorant fellows."

To the comment that the hearts of the expelled students were well intentioned, Johnson offered his usual quick reply:

"Why, Sir, a cow is a very good animal in a field; but you do not turn her into a garden."

War Damaged Schools in Europe

In Europe there has been no deliberate attempt to swell the ranks of students by making room for sometimes imperfectly prepared members of a minority ethnic group. But because of the breakdown of prewar class lines and the easier conditions of access to the universities, a larger proportion of the people are going to universities; and, despite the opening of new institutions in Great Britain, Germany, and France, this makes for overcrowding. On the continent of Europe there was a good deal of wartime destruction, especially in Germany, to be made good as regards buildings, laboratories, and libraries; German students who come to the better American universities usually find the facilities far superior. Also, there is a disposition in Europe to

rebel against old-fashioned teaching methods and the slight contact between professors and students.

There was no physical destruction in the colleges and universities of the United States. But in the matter of teaching, American students have their special grievances. Too often professors with high reputations find themselves attracted to research and to government projects, with the result that actual contact with the students is in the hands of younger and less inspiring assistants. The restoration of teaching to its old and honored place may well be the Number One problem of the American university.

The students of the American "New Left" (so-called because, unlike the orthodox communists, they look to a German refugee philosopher named Herbert Marcuse, not to Karl Marx for inspiration, and profess more admiration for Red China and for Cuba than for the Soviet Union) pride themselves on being not only learners but builders of a new order in America and throughout the world. Certainly, education should widen, not constrict the student's view of the world around him.

Marcuse and the New Left

But the students of the New Left seem gravely deficient in

many of the qualities essential for forming sound judgments, in qualities which intensive study should develop. For instance, they seem strikingly devoid of humility and of humor. They are never deterred from staging demonstrations, confrontations, and whatnot, up to and including occupation of college property and provoked clashes with the police, by the reflection that they might be wrong. Insistent on free speech for themselves, they are unwilling to grant it to others.

And like their prophet Marcuse, they are intent on tearing down whatever displeases them, from college regulations to the American government and society, without giving anything but the vaguest idea of what they would put in its place. There is nothing fresh or original in their ideas; they wallow in clichés about the sins of "society" and "the Establishment" that are half-baked and very imperfectly thought out. It never seems to occur to them that in a modern industrial society of 200 million people work must be done, political and economic decisions must be made, priorities must be set, all sorts of problems of organization must be faced.

Students for a Democratic Society

The largest association of the New Left calls itself Students for

a Democratic Society. Its aspirations are voiced partly by disorderly mass demonstration with mindless slogans, partly by such cloudy gobbledygook as the following excerpts from the Port Huron Statement of the SDS:

"The political order should serve to clarify problems in a way instrumental to their solution. . . . Channels should be commonly available to relate men to knowledge and to power so that private problems from bad recreation facilities to personal alienation are formulated as general issues."

Make sense out of that if you can! At least it shows that the SDS leaders who formulated this piece of pretentious verbosity were quick to assimilate some of the worst intellectual and stylistic idiosyncracies of their less-gifted professors.

About the nearest the spokesmen for SDS come to formulating positive goals is to denounce poverty and discriminatory treatment of blacks and other racial minorities and to denounce what they portentously call the Establishment for alleged responsibility for both these ills. What they completely overlook is that there is some correlation (and this is true under any conceivable system) between individual diligence and ability and individual reward. All that is apparently necessary, in

their view, is to pull a few mysterious levers and, Presto, a society of equals will emerge.

We have surely seen enough of the fruits of totalitarian fanaticism in the records of communism and Nazism. The New Left is suffering from a bad case of this spiritual and intellectual malady. But the likelihood that they will strike deep roots in American life is fortunately slight. For they can

be fairly designated as rebels without a cause, people who don't know what they want and won't be happy until they get it. Their fulminations will have about as much effect on an American society based on the twin principles of political liberty under law and economic freedom through a consumer-oriented market economy as pea-shooters bombarding the Rock of Gibraltar. ♦

IDEAS ON LIBERTY

Mobocracy

ACCOUNTS OF OUTRAGES committed by mobs form the every-day news of the times. They have pervaded the country from New England to Louisiana. They are neither peculiar to the eternal snows of the former nor the burning sands of the latter. Whatever, then, their cause may be, it is common to the whole country.

The innocent, those who have ever set their faces against violations of law in every shape, alike with the guilty, fall victims to the ravages of mob law. And thus it goes on, step by step, till all the walls erected for the defense of the persons and property of individuals are trodden down and disregarded. . . .

Thus, then, by the operation of this mobocratic spirit, which all must admit is now abroad in the land, the strongest bulwark of any government, and particularly of those constituted like ours, may effectually be broken down and destroyed — I mean the attachment of the people. Whenever this effect shall be produced among us, whenever the vicious portion of population shall be permitted to gather in bands of hundreds and thousands and burn churches, ravage and rob provision stores, throw printing presses into rivers, shoot editors, and hang and burn obnoxious persons at pleasure and with impunity — depend on it, this Government cannot last.

ABRAHAM LINCOLN, 1838

EDUCATION IN AMERICA

GEORGE CHARLES ROCHE III

7. *Why Institutionalize Our Errors?*

WHATEVER shortcomings may be said to exist in American elementary and secondary education are largely traceable to the philosophic errors discussed earlier in these pages.

For example, the unfortunate emphasis upon *how* to teach, rather than *what* to teach, stems directly from two pernicious ideas: 1. There can be no fixed truth, no ultimate standard, thus making impossible all "knowledge" in the traditional sense. 2. The search for the latest version of truth (i.e.,

the *method* of that search) is thought to be not merely a means, but the new end itself.

Our prospective elementary and secondary teachers are often given large quantities of professional "Education" courses and courses offering only a smattering of different disciplines, leaving little time for genuine education in any discipline. The result? Much of a prospective teacher's first twelve years in school reflects the lack of intellectual standards and discipline described earlier. When he goes to college to prepare himself to be a teacher, he finds that "teacher certification" requirements largely interfere with his

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receiving a genuine education. Should our teacher go on to graduate school, he again often finds himself surrounded by professors of education. Thus the prospective teacher finds himself submerged in the educationist bureaucracy and cut off from much of what constitutes education in any discipline. In this way the educationist mentality becomes the force which often actually controls public education. This force generally demonstrates itself to be almost totally unfamiliar with standards of genuine education, totally preoccupied with the development and maintenance of largely meaningless technical requirements and course work.

Similar pressures generated by our wrong-headed modern philosophy have undercut discipline and standards in many of our schools. Worse yet, these errors have become institutionalized through the centralization and bigness pressing so heavily upon student and teacher alike throughout much of our educational structure.

The Enlargement of Educational Responsibility

The parent can and should look beyond himself for specialized help in a proper education of his child, but neither parent nor teacher should be confused about the parent's ultimate responsibility

or the proper role of the school in the upbringing of the young. Unfortunately, such distinctions have blurred in our society. The growth of the public school system has been more than matched by a bureaucracy to regulate its workings. As the system has grown, elected officials have felt compelled to place its administration in "expert" hands, a control generally centered in state departments of education. Public school teachers through the high school level are now expected to take certain "Education" courses serving as indoctrination in the "new" philosophy and methodology of the dominant bureaucracy. Our population expansion further enlarges the role of the educationists in our society until they dominate our gigantic and expensive educational structure and assume the functions of family and church as well. We find ourselves well advanced toward a new educational structure, and a new social structure.

It is quite natural that there should be some blurring of function between the home and the school, since both should properly require discipline and both play an important role in any educational process. But tremendous new problems develop when both functions are undertaken by the school. For the educationist bureaucracy, education is no longer

a result to be achieved, but instead has become a subject to be institutionalized. Is it desirable for the school to so expand its responsibility? Even if it were desirable, can the school hope to discharge such responsibility?

The answer to both questions appears to be "no." The reason we have been able to muddle along with no more disastrous results than we have suffered from this usurpation of authority rests with the magnificent teachers in our schools whose personality and skill allow them to function in an atmosphere increasingly alien to true education. These fortunately numerous teachers have been willing to fight the battle despite the bureaucracy in which they are entombed, and the public apathy which so commonly greets them.

The Push Toward Centralization

Another result of the growing educationist bureaucracy has been that our schools have become progressively less oriented to the education of individuals and more oriented to the education of the "masses." We now seem to turn out a "socialized" product, certified as socially acceptable by the appropriate diploma. The bureaucracy has succumbed to its own propaganda to the point of encouraging centralization and consolidation according to a master

plan. Since the Second World War, a process of consolidation has taken place; small, locally-oriented school districts have been absorbed into larger and larger school systems, the better to facilitate "planning." What has actually taken place is a process whereby schools have been removed further from community and parental control, while larger "plants," larger staffs, and larger educationist blueprints have been imposed on the long-suffering taxpayer and the much-abused students. In the process, the small schools being closed were often superior to the new and larger schools taking their place.

When centralization is carried to its logical conclusion, when the educationist bureaucracy has had the fullest possible play for its ideas, what results have we experienced? New York City, a city which has given its educational bureaucracy vast authority and vast amounts of money, today offers an educational product which is frequently so inferior that people seek out private schools for their children or flee from the negative city environment altogether. Things have reached the point in which school often is not even convened, while various groups contend for bureaucratic control. The central question now seems to have become not "How

can we best educate our children?" but "Who shall rule?"

Judging from some reports coming from around the United States, the time may come when we will suffer professors' strikes in our institutions of higher learning just as today we are suffering teachers' strikes in more and more of our public elementary and secondary schools. It seems that once we allow bigness to progress beyond a certain point, the reactions stemming from such monolithic power will crop up throughout society.

Even when we manage to keep school in session, the problem of bigness haunts us. In James B. Conant's widely accepted study of the American high school, he described high schools with graduating classes of less than 100 students as "too small to allow a diversified curriculum except at exorbitant expense." Thus, these small schools were, in Conant's opinion, "one of the serious obstacles to good secondary education throughout most of the United States." Mr. Conant's solution? More bigness, more centralization.

It is true that a larger school provides more specialized teaching and more staff specialists. Each student finds himself more counseled and tested. But it is also true that in the process the individual teacher steadily loses his personal

contact with the students as more and more of his functions are taken over by outside "specialists." Students and teachers alike are involved in more and more activities outside the classroom while less of what has been traditionally called "teaching," the close pupil-teacher relationship, seems possible in our super-enlarged modern educational structure.

In the Hands of Revolutionaries

As teacher and student alike have suffered in the new educational environment, the bureaucracy has prospered. Federal aid to education has further accelerated the whole process, helping to produce an increasingly dangerous situation:

It is not too much to say that in the past fifty years public education in the United States has been in the hands of revolutionaries. To grasp the nature of their attempted revolution, we need only realize that in the past every educational system has reflected to a great extent the social and political constitution of the society which supported it. This was assumed to be a natural and proper thing, since the young were to be trained to take places in the world that existed around them. They were "indoctrinated" with this world because its laws and relations were those by which they were expected to order their lives. In the period just

mentioned, however, we have witnessed something never before seen in the form of a systematic attempt to undermine a society's traditions and beliefs through the educational establishment which is usually employed to maintain them. There has been an extraordinary occurrence, a virtual educational coup d'etat carried out by a specially inclined minority. This minority has been in essence a cabal, with objectives radically different from those of the state which employed them. An amazing feature of the situation has been how little they have cared to conceal these objectives. On more than one occasion they have issued a virtual call to arms to use publicly created facilities for the purpose of actualizing a concept of society not espoused by the people. The result has been an educational system not only intrinsically bad but increasingly at war with the aims of the community which authorizes it. . . .¹

The School as an Agency of Social Reform

The revolutionary impact of the educationist philosophy described by Richard Weaver centers on the attempt to junk the traditional standards and substitute totally new goals in their place. The process of that philosophic departure from standards has already been described at some length. Innu-

merable examples surround us on virtually every hand. The principal effect of this departure from standards has been an assault upon individual personality.

In place of teaching the young to form their own opinions, today we offer social indoctrination, enthusing endlessly about "enrichment" and "freedom" and yet in many cases offering our young people only the dullest possible conformity. The present philosophic assumptions common within higher education often deny the idea of inner personality. Listen to the new method stated most frankly by John Dewey himself, writing in *Democracy and Education*:

The idea of perfecting an "inner" personality is a sure sign of social divisions. What is called inner is simply that which does not connect with others — which is not capable of free and full communication. What is termed spiritual culture has usually been futile, with something rotten about it, just because it has been conceived as a thing which a man might have internally — and therefore exclusively. What one is as a person is what one is as associated with others, in a free give and take of intercourse.

What's wrong with society? The old and negative ideas stressing individual personality! Give us enough money and let us adjust the child. Then all will be well. To

¹ Richard M. Weaver, *Visions of Order*, pp. 260-261.

what must the child adjust? To "social democracy," to finding his values within society. In fact, the replacement of all norms and the replacement of all individual personality is to be achieved within the system because the new means of arriving at norms and standards, at truth, is through the new methodology. Society will vote, society will establish a "consensus," and from that consensus will come the new standards, the new definitions of truth, the new social man as replacement for the individual. Such a system violates both of the canons necessary for genuine education. It violates the individual's freedom to choose and the framework of standards and values within which meaningful individual choice may take place.

Action Rather than Thought

A society pursuing such educational goals is likely to become a society oriented toward action rather than thought. Such a society places a premium upon masses of humanity, upon sheer body weight rather than intellectual weight. In place of moral and intellectual standards, numbers and crowd psychology are to determine our future course. We are beginning to live through the first painful results of such a disastrous philosophy, as evidenced by the violence and mob psychology which

today is commonplace both inside and outside our academic community. Thus, violence has become our means for making decisions and solving "problems."

Emerson once remarked, "Men ride on a thought, as if each bestrode an invisible horse, which, if it became visible, all their seemingly mad plunging motions would be explained." Surely this observation could be applied to our present society. In our traditional system of higher learning, education was conceived as passing along the cardinal principles and values of civilization, but our modern assumption today is that we have no values worth passing on. If this is the idea we give our young people to ride on, can we be surprised when they act as if there were no values? If the intellectual community will no longer regard itself as primarily devoted to the pursuit of truth, can we be surprised when our young are no longer willing to listen to the members of the academic community?

When we take freedom to mean nothing more than the absence of external control, we are paving the way for the most dangerous anarchy imaginable. Meaningful freedom involves the presence of internal restraint and sound judgment. Without these restraints and that capacity for judgment, we open the door to mass action in

virtually every area of our society. This is not the achievement of freedom, it is a return to barbarism.

The extended criticisms laid at the door of American education prompt this question: "If things are so bad, why is the system still yielding so many first-rate students, so many fine young men and women?" The answer is easy: The saving grace of our educational structure is the stubborn virtue and determined excellence of many teachers who continue to function well under admittedly adverse circumstances. Students are quick to identify a good teacher when they meet one. A real teacher never stops, but continues in school and out, by precept and example, to set high standards of discipline and character. The old teacher-pupil relationship of one-to-one, the teacher and the taught, implying standards and discipline and the meeting of two distinctly individual personalities, remains the only real answer to the problem.

The Numbers Problem in Higher Education

The philosophic shortcomings of American mass education form a core of problems for higher education as well. Often the most severe criticism of American secondary education comes from the liberal arts faculties of our col-

leges and universities. They decry the intellectual material being sent them by the secondary schools and are openly contemptuous of the Education departments on their own campuses. Yet many of these critics of educationism are themselves empire builders of a sort. They are often the first to suggest that more and more young people should go to college whether qualified or not. This is to be achieved by sufficiently lowering standards so that no one need be rejected and no one need fail to measure up. The result in practice tends to be a steadily lowering rate of standards, a steady decline in the educational system's capacity to treat its students as individuals. When such college teachers criticize the anti-intellectualism of the "educationist" and complain of the spotty quality of all too many students, they may actually be criticizing the final result of the same relativist, materialist, collectivist philosophy which higher education itself often espouses.

Whatever the causes, some college classrooms seem filled with students who cannot handle solid college material, students who feel they have a "right" to be in college whether or not they are qualified or motivated. The problem is made more pressing because the total number of students, qualified or unqualified, grows steadily

greater. In 1956 there were less than 3 million students in college; ten years later the number had doubled. Some estimates suggest that the next ten years will see the number doubled again.

America has long been committed to the idea of universal education. The question today: Is having everyone in school synonymous with giving everyone an education? In actual fact, a part of our increased college enrollment has less to do with education than with the painful fact that no socially acceptable alternative to college attendance exists for an intelligent secondary school graduate. Consider the social standing of the alternatives for an 18-year-old high school grad—the army? a job?

Today America has apparently undertaken a commitment to send everyone to college, just as 40 years ago it promised a universal high school education and 40 years before that aspired to offer an eighth grade diploma to all youngsters. New colleges and universities are coming into existence at the rate of one a week. This may well be regarded as a worth-

while ambition in an era of “rising expectations,” *if the quality of the education thus offered has real value*. But if we make a college education available to all only by lowering standards and making that education meaningless, we are only deceiving ourselves.

Such “mass” oriented institutions run the risk of becoming merely custodial rather than educational. In such an environment, teaching an individual to think for himself may easily be lost in the shuffle of massive enrollments, watered-down survey courses, and the rest of the techniques which deny primacy to the individual.

If America should demand that everyone attend college and true standards be damned, and if America builds more and larger institutions of higher learning of a sort to accommodate such a process, we shall be taking the next disastrous step in the further institutionalization of our philosophic errors. Surely we do not need more institutional giantism for its own sake. We have great need to bring our existing educational structure back within the scope of the individual student. ♦

*The next article of this series will discuss
“The Multiversity.”*

PEACE

or POLITICS

FRANK CHODOROV

A people plagued by assassinations, rioting, and war do well to reconsider that "peace is the business of society." "Peace or Politics" is extracted from an article, "One Worldism," by the late Frank Chodorov in the December 1950 issue of his small monthly journal, Analysis.

PEACE is the business of Society. Society is a cooperative effort, springing spontaneously from man's urge to improve on his circumstances. It is voluntary, completely free of force. It comes because man has learned that the task of life is easier of accomplishment through the exchange of goods, services, and ideas. The greater the volume and the fluidity of such exchanges, the richer and fuller the life of every member of Society. That is the law of association; it is also the law of peace.

It is in the market place that man's peaceful ways are expressed. Here the individual vol-

untarily gives up possession of what he has in abundance to gain possession of what he lacks. It is in the market place that Society flourishes, because it is in the market place that the individual flourishes. Not only does he find here the satisfactions for which he craves, but he also learns of the desires of his fellow man so that he might the better serve him. More than that, he learns of and swaps ideas, hopes, and dreams, and comes away with values of greater worth to him than even those congealed in material things. . . .

The law of association—the supreme law of Society—is self

operating; it needs no enforcement agency. Its motor force is in the nature of man. His insatiable appetite for material, cultural, and spiritual desires drives him to join up. The compulsion is so strong that he makes an automobile out of an oxcart, a telephone system out of a drum, so as to overcome the handicaps of time and space; contact is of the essence in the market place technique. Society grows because the seed of it is in the human being; it is made of man, but not by men.

The only condition necessary for the growth of Society into One Worldism is the absence of force in the market place; which is another way of saying that politics is a hindrance to, and not an aid of, peace. Any intervention in the sphere of voluntary exchanges stunts the growth of Society and tends to its disorganization. It is significant that in war, which is the ultimate of politics, every strategic move is aimed at the disorganization of the enemy's means of production and exchange—the disruption of his market place. Likewise, when the State intervenes in the business of Society, which is production and exchange, a condition of war exists, even though open conflict is prevented by the superior physical force the State is able to employ. Politics in

the market place is like a bull in the china shop.

The essential characteristic of the State is force; it originates in force and exists by it. The rationale of the State is that conflict is inherent in the nature of man and he must be coerced into behaving, for his own good. That is a debatable doctrine, but even if we accept it the fact remains that the coercion must be exercised by men who are, by definition, as “bad” as those upon whom the coercion is exercised. The State is men. . . .

Getting down to the facts of experience, political power has never been used for the “general good,” as advertised, but has always been used to further the interests of those in power or those who can support them in this purpose. To do so it must intervene in the market place. The advantages that political power confers upon its priesthood and their cohorts consists of what it skims from the abundance created by Society. Since it cannot make a single good, it lives and thrives by what it takes. What it takes deprives producers of the fruits of their labors, impoverishes them, and this causes a feeling of hurt. Intervention in the market place can do nothing else, then, than to create friction. Friction is incipient war. ♦

The Southern Tradition at Bay

AS RICHARD WEAVER has said, ideas have consequences. His *The Southern Tradition at Bay* (Arlington House, \$7.00), which comes to us with a foreword by Donald Davidson, is a magnificent study in depth of the "Southern apologia" which engaged practically every good mind below the Mason-Dixon line between the time of Appomattox and the early years of the twentieth century. Their ideas were in themselves a consequence of the fatal flaw in the U.S. Constitution, which took off from a theory of inalienable human rights yet made pragmatic allowance for the institution of slavery. Nobody could have ridden the two horses of freedom and slavery in tandem forever, and the War Between the States was definitely the consequence of an untenable idea.

But if slavery was a violation of the Western view of human nature, which recognizes the natural urge of every person to be the arbiter of his own destiny, it does

not follow that the South was wrong to defend the institution of States' Rights. The Constitution was a compact freely accepted by sovereign states, and the terms of ratification certainly did not preclude withdrawal if the powers and rights protected by the Ninth and Tenth Amendments to the basic contract were infringed. The War Between the States would never have been fought if slavery had not poisoned the atmosphere of the eighteen forties and fifties. But logic tells us that it was not treasonable for the Southern Confederacy to insist that each separate state had the right to deal with an institution (in this case the "peculiar" institution of slave holding) which had been accepted by the Founders as a given fact when the original contract of federation was being negotiated.

Richard Weaver does not defend the institution of slavery. But he most certainly deplores the centralizing tendencies that have made a mockery of individual and

States' Rights. A Southerner who dallied with socialism in his younger years, Weaver came to suspect the clichés of the collectivistic liberalism which he had originally embraced. His search for his own roots led him to the detailed exploration of practically every publicist, letter-writer, diarist, philosopher, sociologist, historian, and novelist who expressed the "mind of the South" in all those dismal years after the defeat of Lee's army. His conclusion was that much more than slavery was at issue in the convulsive struggle of 1861-65. Slavery would have withered away in any event for purely economic reasons (it was an inefficient method of organizing production), but was it also decreed in the stars that the South must give up what Weaver calls "resistance to the insidious doctrines of relativism and empiricism which the Southerner carried about with him"? Weaver quotes Edmund Burke's lament for the passing of his eighteenth century world: "The age of chivalry is gone — that of sophisters, economists, and calculators has succeeded." *The Southern Tradition at Bay* is, in essence, a comparable lament for the Southern "age of chivalry," when (again to quote Burke) there were "pleasing illusions" which "made power gentle and obedience liberal" and "incor-

porated into politics the sentiments which beautify and soften private society."

The Literature of the South

Regardless of how one feels about the possibility of restoring the eighteenth century, or of recreating a fabric that would "make power gentle," one can only have intense admiration for Weaver's powers of analysis and synthesis. I had not realized the richness of the "Southern tradition" before reading Weaver's study of the post-bellum works of Alexander Stephens, Albert Taylor Bledsoe, Robert Lewis Dabney, Edward Albert Pollard, Bernard J. Sage, and Jefferson Davis himself, works which had the "object of confuting what they believed to be a monstrous aspersion, a 'war guilt lie' . . ."

These were not part of Vernon Parrington's "main currents of American thought," yet they are surely a distinctive part of our literature. We had our centennial of the War Between the States only three years ago, and the outpouring of commentaries and histories that commemorated the centennial is still vivid. But we learned all too little about what motivated the Southern soldier.

Weaver corrects the emphasis by his rifling of the "virtual library" left by people like R. L.

Dabney, John Esten Cooke, and Henry Kyd Douglas on the life of Stonewall Jackson, and by the members of Lee's personal staff who left memoirs. Who among us has read Raphael Semmes's *A Memoir of Service Afloat During the War Between the States*? Semmes, a lawyer as well as a seaman, was commander of the illustrious Confederate raider, the *Alabama*, and Weaver says his memoir is "one of the really fascinating narratives in the history of adventure." Besides being "seven hundred pages of colorful incident and description," the Semmes memoir is also a "remarkably skilled" polemic that reviews in succession "the nature of the American compact, the early formative stages of the nation, and finally . . . the question of slavery as it affected secession." Surely, if we are to have a rounded view of the history of our country, a Semmes should be read in the schools along with a William Lloyd Garrison on abolition, or a Daniel Webster on the sanctity of the union, or a William Tecumseh Sherman on the futility of the Southern rebellion.

Richard Weaver explores the reach of the Southern novel in a brilliant chapter called "Fiction Across the Chasm." He does not aver that John Esten Cooke, Thomas Nelson Page, Thomas

Dixon, Augusta Jane Evans, Grace King, James Lane Allen, Opie Read, Francis Hopkinson Smith, Charles Egbert Craddock, and John Fox were great novelists or even great story tellers. He does not even claim too much for George W. Cable (*Old Creole Days*) or Joel Chandler Harris, the creator of Uncle Remus. But the Southern writers of fiction, if they were not in the same league with Mark Twain (himself a Southerner of sorts), William Dean Howells, and Henry James, did not deserve to be dismissed as dwellers in a Menckonian "Sahara of the bozart."

The Overpowering Burden

At bottom, Richard Weaver represented the War Between the States because it kept the South from working out its problems in its own way. He held to the Burkean belief that society must be a "product of organic growth" if it is not to do violence to "life's golden tree." But, since ideas must have consequences, the explosion of 1861-65 was the end result of the mistakes of 1787, when the Founding Fathers temporized with their own eighteenth century heritage of "natural law." The acceptance of slavery, which the late Isabel Paterson insisted was the flaw in the Constitution, was too great a burden. It prevented men

from seeing things in terms of a reasonable disposition to let "organic growth" have its way.

This does not mean that the successive onslaughts of the North's "liberals" on the theory of States' Rights are justified. No nation made up of distinctive regions can be successfully dominated from a single point. Reality must be restored to the Ninth and Tenth Amendments, which ostensibly uphold the powers and rights of the

states and of the individual citizens thereof, if the general propositions of the Founding Fathers are to be rescued from the centralizing trends which Weaver so eloquently deplored. *The Southern Tradition at Bay* should be read for its general philosophical sense as well as for its evocation of a part of our culture that has been conveniently forgotten and ignorantly derided in most of the country for more than a full half-century. ♦

► RES PUBLICA by Thomas O. McWhorter (Nutley, New Jersey: The Craig Press, 1966), 265 pp., \$4.50.

Reviewed by Sam R. Fisher

ONE of the important elements in our culture is the heritage of classical political thought, with its search for earthly justice and its roots in the Natural Law. Here is an excellent introduction to this tradition, tracing it from Plato through Cicero and Aquinas down to Burke and *The Federalist*. This book is a useful statement of the fundamental axioms and truths upon which republican government is based.

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nature of man, and devotes the opening section of his book to this unique creature. The body of the text is a scholarly disquisition on law and government, amply documented. The concluding chapters show how tyranny grows up within the forms of popular government when the spirit of a people decays because of a failure in understanding and a loss of nerve. This degeneration cannot be repaired, says the author, "until the realities of life cause each to look inwardly at himself and see there . . . a human being with a will, volition, and a purpose in life, susceptible to experiencing the deep satisfaction of self-reliance, independence, and responsible liberty in a political society where he is master." ♦

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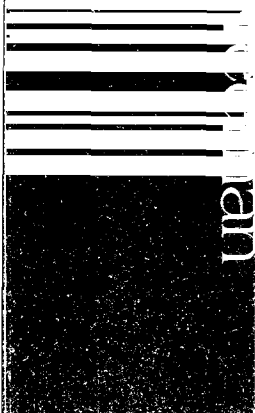
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